FINANCIAL TIMES

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Time to find a real solution to the debt crisis, Page 15

NEWS SUMMARY

GENERAL

Libya may have mined Red Sea

Egypt and some Western governments believe Libya, not Iran, is possibly responsible for the laying of explosives in the Red Sea and the Gulf of Suez.

Importance is being attached to a Libyan vessel which passed through the Suez Canal in July and its later suspicious movements.

Egypt has avoided blaming Libya, but it is felt that the mining of the waters may be an attempt to embarrass Egyptian President Hosni Mubarak and his new Government.

Iran has denied involvement in the plot but applauded it as an act against "arrogant powers" including the U.S., France and Britain. Page 3

Zanu congress call

Zimbabwe Prime Minister Mr Robert Mugabe told a congress of his ruling Zanu-PF party that he expected forthcoming elections to give him a mandate to implement fully a one-party socialist state. Page 14

Brazil alliance

Brazil's main opposition party, the Democratic Movement Party, formally joined an alliance with a dissident faction of the ruling Social Democratic Party to contest the presidential elections in January.

Basque riot

Several hundred youths rioted in Vitoria, Spain, in protest at the killing of a suspected Basque guerrilla.

Missile testing

The Soviet Union is testing its version of the American MX and cruise missiles in an attempt to match U.S. progress. Page 2

Millionaire jailed

Greek millionaire Peter Theodoracopulos, who writes a British magazine column under the name Taki, was sentenced in London to 16 weeks' jail for possession of 23.1 grammes of cocaine at Heathrow Airport.

Iranian hijack ends

All passengers and crew aboard a hijacked Iranian airliner were freed in Rome and a hijacker has surrendered.

Art exports blocked

British Arts Minister Lord Gowrie has blocked the export of three drawings, worth nearly $4m, by Raphael, Rembrandt and Rubens, to the Getty Museum in Malibu, California.

France condemned

Leaders of 13 Commonwealth countries from Asia and the Pacific condemned France for conducting nuclear tests in the South Pacific.

Soviet concession

Soviet authorities allowed the wife of Mr Andrei Sakhkarov, the dissident physicist, to communicate with friends for the first time for three months.

El Salvador deaths

A total of 13 left-wing guerrillas and six Government troops have died in fighting in El Salvador as a result of anti-rebel operations.

Peking invitation

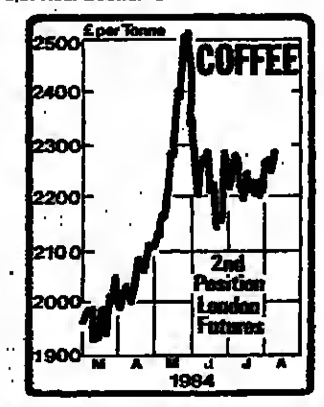
Sir Geoffrey Howe, the British Foreign Secretary, in Peking last month received an invitation for the Queen Elizabeth to visit China.

BUSINESS

French high-tech loan fund boosted

THE FRENCH Government is to pour another FFr 1bn ($112m) into its industrial modernisation fund to encourage the use of advanced technology. The scheme has made cheap loans totalling FFr 5.5bn available to more than 1,500 companies investing in high technology since it was set up last year.

WALL STREET: The Dow Jones industrial average closed down 8.51 at 1,198.11. Section II



DOLLAR fell in London to DM 2.8985 (DM 2.914), FFr 8.915 (FFr 8.9425), SwFr 2.442 (SwFr 2.4575) and Y243.0 (Y244.45). On Bank of England figures, its trade-weighted index fell to 137.5 from 137.8. In New York it closed at DM 2.905, FFr 8.9125, SwFr 2.447 and Y243.47. Page 33

STERLING was firm in London, gaining 95 points against the dollar to $1.3155. It also rose to DM 3.825 (DM 3.8), FFr 11.7775 (FFr 11.69), SwFr 3.22 (SwFr 3.21) and Y320.0 (Y319.25). Its trade-weighted index rose to 78.7 from 78.5. In New York it closed at $1.3145. Page 33

GOLD rose $1.75 an ounce on the London bullion market to $345.25. It was also higher in Frankfurt an Zurich at $344.25. In New York the August Comex settlement was $344.40. Page 32

LONDON gilt and equities were spurred by an interest rate cut taking the FT Industrial Ordinary index 8.5 higher to 838.0, its highest level for two months. Section II

TOKYO shares eased broadly, due in part to the yen's further weakness against the dollar. The Nikkei Dow market indicator shed 68.51 to 10,247.12. Section II

ARGENTINA devalued the peso by 2.15 per cent against the dollar as Economy Minister Bernardo Grinspun opened talks with the IMF in Washington. Buenos Aires has been allowing the peso to slip by 0.75 per cent a day against dollar.

AFRICA'S five Portuguese-speaking countries, Guinea-Bissau, Angola, Mozambique, Cape Verde and Sao Tome Principe, have backed a plan to introduce a common currency linked to Portugal's escudo.

BANCO AMBROSIANO Holding's creditors will on Monday receive an initial payment of $300m from the UK accountants appointed to manage the Luxembourg offshoot of the former Banco Ambrosiano group. Page 19

COMMERCIAL UNION, large British composite insurer, reported £14.5m ($18.3m) loss for the first six months against £30.4m profit in the same period of 1983, as UK operations joined the U.S. side in the red. Page 16

Today's international edition is published in two sections, reflecting the seasonal reduction in pagination. Companies and Markets are combined in Section II.

Production difficulties in London may have resulted in typographical errors in unit trusts, some advertisements and elsewhere in today's edition.

Hungarian order for ITT may test high-tech curbs

BY GUY DE JONQUIERES IN LONDON AND IVO DAWNAY IN BRUSSELS

STANDARD ELEKTRIK Lorenz (SEL), of West Germany, a subsidiary of ITT of the U.S., has won a letter of intent from Hungary to supply electronic telephone exchanges worth DM 30m ($10.3m) in a deal which may test Western controls on high-technology exports to East bloc countries.

Last month the 15-member Paris Co-ordinating Committee (Cocom) which vets trade with Communist countries, agreed under strong U.S. pressure to stop all Western sales of sophisticated telephone exchanges to the Soviet bloc, at least until 1988.

Soon after the Cocom ban, Plessey and GEC of Britain and L.M. Ericsson of Sweden reluctantly withdrew from the bidding to supply exchanges to Bulgaria because they relieved that they would be unable to obtain the necessary export licences.

But ITT's European headquarters in Brussels said yesterday: "SEL and ITT intend to find a means of satisfying both the requirements of the letter of intent and the directives set down by Cocom."

ITT expected SEL to ask the West German Government to seek approval for the sale from other Cocom members. However, it may be difficult to secure such approval, since it would require unanimous backing from all Cocom members, which comprise the Nato allies and Japan.

ITT appears to hope that even if immediate authorisation was denied, it might still be able to persuade Cocom to let the sale go ahead if delivery of the exchanges were delayed until 1988.

Cocom members have agreed in principle to relax their controls after 1988 and allow individual governments to licence exports to the Soviet bloc of telecommunications equipment, at present subject to restrictions.

But if such a waiver was granted now it could arouse objections from other manufacturers who decided not to pursue the Hungarian order after the Cocom restrictions were imposed.

The agreement to relax the controls in four years is, in any case, only provisional and may be reviewed before then. Even if it stands, the technical specifications of exported exchanges will have to be modified to lower their performance levels.

The letter of intent, given by Budavox, Hungary's telecommunications procurement agency, is for 10 System 12 computerised public exchanges. SEL, which is 86 per cent owned by ITT, is already supplying similar exchanges to the Deutsche Bundespost, West Germany's post office.

SEL was left as the only bidder for the Hungarian order when Ericsson and Canada's Northern Telecom voluntarily withdrew after citing western export restrictions. France's CIT Alcatel, Siemens of West Germany and Philips of the Netherlands were eliminated at an earlier stage of the bidding.

Although the value of equipment covered by the Hungarian letter of intent is quite small, it could lead to more purchases as the country's telecommunications programme develops.

British banks cut rates by ½ point

By Max Wilkinson in London

BRITAIN'S leading banks cut their base lending rates from 12 to 11½ per cent yesterday amid strong signs that the UK authorities are impatient for a further fall.

The financial markets reacted favourably with the pound gaining some ground on the foreign exchanges and government security prices firm.

The move towards lower interest rates was clearly signalled by the Bank of England, which lowered the rates at which it supplies liquidity to the banking system by ½ percentage point early yesterday.

The Bank's signal, which was stronger and earlier than many people in the City of London had been expecting, was quickly decoded by the National Westminster Bank, which was the first of the four major banks to lower its base rate. Barclays, Midland and Lloyds soon followed.

The authorities showed much firmer decision in leading interest rates down than they displayed on July 11 when rates last rose. The Bank of England then reluctantly moved its dealing rates up by 2 percentage points only after clearing banks' base rates had risen to 12 per cent.

The British Government and the Bank of England have since been at pains to emphasise their belief that the rise in July was not justified by domestic monetary considerations.

The authorities felt it was prompted by an over-reaction in the money markets and the foreign exchanges to City of London fears about the money supply and the possibility of a prolonged UK dock strike.

The most recent monetary estimates issued on Tuesday showed, however, that the money supply was comfortably back within its target range in July, with the public and private sectors both having a subduing influence.

The main uncertainty facing the authorities is whether sterling will remain firm enough for them to encourage further cuts in interest rates.

In June the UK Treasury was still confident that inflation could be cut to 4½ per cent by the end of the year, but this hope faded when the mortgage (home loans) rate rose by 2½ percentage points the next month. This rise will add about 0.8 per cent to the Retail Price Index for August.

The rich get richer, Page 5; Lex, Page 16; money markets, Page 33

Regan insists U.S. plans no tax increases

BY STEWART FLEMING IN WASHINGTON

MR DONALD Regan, the U.S. Treasury Secretary, hit out yesterday at allegations that the Reagan Administration is planning to increase taxes to reduce the $200bn federal budget deficit.

"There are no plans for tax increases in 1985 by this administration. Any or all talk of tax increases is untrue or misinformed," Mr Regan told the Joint Economic Committee of Congress in testimony on the economic outlook.

After a week of evident confusion within the Reagan Administration and the Republican Party about how best to respond to charges by Democratic presidential candidate Mr Walter Mondale that Mr Reagan is secretly planning to raise taxes in order to cut budget deficit, Mr Regan issued the bluntest rebuttal so far of Mr Mondale's charge by a top Administration official.

But Mr Regan's comments left Congressional Democrats unconvinced and claiming he had left a loophole by not addressing the 1986 fiscal year, the budget for which will be presented at the beginning of 1985.

Drawing on the evidence of a better-than-expected performance by the U.S. economy over the past 18 months, Mr Regan claimed that "growth is the key to the deficit problem. There can be no solution without growth. With growth the solution is well within reach."

Far from requiring tax increases, Mr Regan maintained that "the remaining budget problem... can be handled by reasonable spending restraint on the part of Congress."

In a preview of the data which will be contained in the Administration's mid-year review of the budget outlook, which is due to be released later this week, he claimed that "the federal budget deficit has passed its peak... I hope we will hear no more talk of $200bn deficits as far as the eye can see."

He predicted that the federal budget deficit in 1985 would be below the 1984 level, which is expected to hit $170bn, and that by 1989 it could be down to between 2½ per cent and 3 per cent of gross national product.

This would put the deficit in the $140bn to $150bn range.

Mr Regan's projection contrasts with the Congressional Budget Office's (CBO) estimate for 1989 of $263bn. But the bulk of the difference, some $78bn is accounted for by assuming much lower interest rates than the CBO.

Rounding out an optimistic pre-election assessment of the economic outlook, Mr Regan disclosed that the Administration had boosted its official forecast of real economic growth for the current year from 5 per cent to 6.5 per cent. It lowered its inflation estimate from 5 per cent to 4.4 per cent as measured by the GNP deflator.

Even as Mr Regan was maintaining that the budget deficit was a much less ominous economic challenge than many economists had claimed, Mr Paul Volcker, the Federal Reserve Board chairman, was urging the House's Foreign Affairs Committee that "forceful and prompt action ... to reach agreement on ways to reduce the huge budget deficits that have helped to keep our interest rates high ... would be the single most important contribution the Congress could make to an easing of international debt problems."

In testimony on the international debt situation, Mr Volcker said that there were grounds for encouragement in the progress that had been made in dealing with the debt problem, but not for complacency.

"The threat to international financial stability remains real and will need the continuing attention of governments as well as private lenders if it is to be successfully resolved," he said.

He cited prolonged increases in interest rates and increased protectionism as factors which "can undermine the best efforts of the borrowers."

Questioned on the domestic U.S. economy, he said that a better inflation outlook was partially responsible for the recent bond market rally.

He said he believed that it would become clear in the future that real interest rates were high because it would become apparent with time that inflation was under control.

But whereas Mr Regan told the joint economic committee he was expecting short-term interest rates to follow long rates down as the year progressed, Mr Volcker refused to be drawn into interest rate predictions

A New York Stock Exchange study that argues against the view that U.S. manufacturers have lost their competitive edge in international markets is seen as politically contentious in the run-up to the presidential election, since it supports Republican claims that the market system is working and maintaining the underlying strength of industry. Page 4

Bonn agrees to abolish withholding tax on bonds

BY RUPERT CORNWELL IN BONN

THE West German Cabinet yesterday agreed in principle to abolish the withholding tax faced by foreigners who buy German bonds, as a means of helping to reverse the outflow of long-term capital from the country.

The formal measure to remove the tax will be put forward by Herr Gerhard Stoltenberg, the Finance Minister, in September, to allow time for consultations between the authorities and state or regional governments that have a say in the matter.

The agreement was announced yesterday by Herr Martin Bangemann, the Economics Minister, after a Cabinet session reviewing the economy. The meeting was also attended by Herr Karl Otto Pöhl, president of the Bundesbank (central bank).

The central bank has long been pressing for an end to the tax, especially after the U.S. abolished a similar 30 per cent withholding tax. The German tax is levied at the rate of 25 per cent on interest income from bonds held by foreign residents.

The Government now plainly shares the Bundesbank's anxiety over the need to reduce capital outflows, which have increased as the differential between American and West German interest rates has widened.

That topic will dominate today's meeting of the Bundesbank council, with the dollar at an 11-year high against the D-Mark.

Arguments that German interest rates should be lifted to attract capital back into the country are, however, countered by the need to avoid steps that might prevent the economy from getting back into its stride after the seven-week engineering strike this summer.

It is also pointed out that inflation, at a 15-year low of 2.2 per cent, and the money supply are firmly under control, while a sudden strengthening of the D-Mark might upset the present balance within the European Monetary System (EMS).

Herr Bangemann was confident that West Germany would manage growth of 2.5 per cent in 1984, and that the drop in orders and output during the strike would be only a temporary setback.

He promised government action after the summer break to help to create new jobs. The reduction of unemployment, still at almost 9 per cent, was "the main task of economic policy during this parliament," he declared.

In a bid to foster new companies, and with them new jobs, Herr Bangemann hinted that certain taxes, notably that on stock exchange transactions, might be lifted.

East German economy, Page 16

Deutsche Bank in DM 750m issue

BY JONATHAN CARR IN FRANKFURT

DEUTSCHE BANK, West Germany's largest commercial bank, is taking another step to strengthen its capital base by floating a DM 750m ($258m) convertible bond issue bearing a 4 per cent interest rate at par.

The action follows a one-for-12 rights issue in the spring, which boosted share capital by DM 585m and brought the bank's total reported own funds to nearly DM 8.1bn.

Under the new step, authorised by the annual meeting in May, shareholders will be entitled to buy one convertible bond with a nominal value of DM 250 for every 10 shares, between August 29 and September 12.

The holders will have the "irrevocable" right to exchange each bond for one share at any time between January 2 1990 and December 15 1994. Deutsche Bank shares closed in Frankfurt yesterday at DM 329.50, down DM 2 on Tuesday's price.

The recent rights issue was seen not only against the background of Deutsche Bank's business growth but also with one eye on the tighter provisions of banking law, due to take effect next January.

Under the legal changes, banks will have to produce consolidated accounts including foreign subsidiaries in which they have an at least a 40 per cent stake, and to limit their total lending to a maximum of 18 times shareholders' equity (capital and reserves).

With its recent injection of DM 585m in share capital, it is believed that the Deutsche has already met, or is close to meeting, the tougher legal provisions.

It is pointed out, however, that the new convertible bond issue, which involves subordinated debt, might not be recognised by the Bonn Government as constituting equity.

Eurobonds and D-Mark issue calendar, Page 34

STC may raise bid for ICL

By Alexander Nicoll in London

TALKS between Standard Telephones and Cables, the British communications group, and computer maker ICL are expected to lead to a "material improvement" in STC's £367m ($480m) offer for ICL, according to a joint statement issued last night.

The statement followed two days of intense negotiations between the two companies which began after a meeting of ICL's board on Tuesday.

STC launched its bid for ICL late last month, taking the computer maker and the market by surprise with a dawn raid which netted 9.8 per cent of ICL. It immediately launched a bid which ICL rejected as "totally inadequate."

In yesterday's statement ICL reaffirmed that view, but went on to say: "Today the chairmen and directors of STC and ICL held amicable

Continued on Page 16

CONTENTS

Reaction to food price rise shakes Irish coalition

BY BRENDAN KEENAN IN DUBLIN

THE LABOUR Party, junior partner in Ireland's governing coalition, has been rocked by the reaction from its rank and file to last week's Government decision to cut subsidies on foodstuffs.

Its members are demanding that major concessions to Labour policy be incorporated in the economic plan due to be published next month and which could determine the future of the coalition.

The halving of food subsidies, which added eight Irish pence to the price of a loaf of bread and a pound of butter, and 2p to the price of a pint of milk, was followed immediately by another 4p per loaf increase by the bakers—something the Government apparently did not expect.

Labour supporters are also angry because they feel that their party was left with the responsibility of defending the increases.

Dr Garret FitzGerald, the Prime Minister, and Mr Alan Dukes, Finance Minister—both members of the majority Fine Gael Party in the coalition—were on holiday when the announcement was made.

The coalition is facing its sternest test since coming to office 20 months ago with an overall majority of six.

Labour back-benchers have warned publicly that the price of their continued support will be the implementation of *significant sections of Labour* policy in the economic plan.

Labour demands centre on changes in the taxation system; in particular, increased taxes on farmers and capital.

The problem for Dr FitzGerald is that farmers — especially the better-off farmers —form an important part of his party's electoral suport.

Also, the depressed state of the economy will make it difficult to raise anything like the I£100m (£83m) in capital taxes which Labour seeks.

Labour Ministers, nervously assessing the reaction to the subsidy cuts, are aware that more unpalatable measures will have to be included in next month's plan.

Civil Service projections are thought to show a 7 per cent increase in volume in public spending next year if corrective measures are not taken.

It is feared that the rise in U.S. interest rates could add I£100m to Ireland's I£1bn debt servicing charges next year.

The main force holding the coalition together at this stage is the fear of a general election, in which neither of the governing parties would be likely to fare well.

One Labour backbencher suggested that Labour cross the floor and support the Government headed by Mr Charles Haughey, the opposition leader, but this seems unlikely.

Ministers will be searching for compromises between now and September, but it will require a careful balancing act to ensure Labour backbench support for what is bound to be another tough budget next *January*.

Economists have pointed to the failure of the Government to cut its own spending on staff and services in any significant way.

Dutch Waterways Board backs polder project

BY WALTER ELLIS IN AMSTERDAM

THE DUTCH Waterways Board is expected to advise the Government in The Hague this week to give its approval to the controversial Markerwaard Polder project in the Ijsselmeer, north of Amsterdam.

The cost of the project, which would entail filling in some 40,000 hectares of the Ijsselmeer—the former Zuider Zee—is currently put at some Fl 420m (£97m).

But the board believes this could be reduced by new methods of reclamation. It also considers the polder could prove profitable in the long run.

Mrs Nellie Smit-Kroes, Waterways Minister, hopes to take a decision on the Markerwaard this year.

The proposed polder is opposed by environmentalists, who see little point in removing another large slice of the country's largest lake simply to add to the European Community's dairy surpluses.

Renault 'plans to shed 15,000 jobs'

By David Marsh in Paris

SIMMERING anxieties in the French Government about steadily increasing unemployment have been brought a step nearer boiling point following publications of reports in Paris that the state-owned carmaker Renault is proposing imminent job cuts of 15,000 workers.

Although Renault said yesterday it had made no decision on any figure for workforce reductions, unions have been bracing themselves for large-scale labour shedding at France's Number One car manufacturer for several months.

The figure of 15,000, out of Renault's total workforce of 102,000, was believed to have been communicated to unions at a meeting with management at the end of last month.

The Right-wing daily Le Figaro claimed yesterday that Renault wanted to trim that number of workers by the end of the year.

This, it said, would be in line with similar cuts proposed by Peugeot, the private-sector Number Two carmaker, which has been battling with... the Government over job cuts for much of the past year.

Public opinion has already been *prepared for big cuts in* automobile employment by a report from an independent government-sponsored commission. The report is due to be published *in* September, but has already been leaked to the Press.

The *commission*, headed by M Francois Dalle, head of the L'Oreal cosmetics group—which is regarded as one of France's industrial success stories—believes Renault and Peugeot will have to axe 70,000 jobs—a third of their *workforce*—by the end *of* 1989.

Renault said it would only make up its mind later in the year on workforce reductions.

The company, which made a loss of FFr 1.6bn (£133m) last year and foresees no speedy return to profit, has already decided to trim about 5,000 jobs by the end of the year.

These it said would come mainly through early retirement

Peugeot, which made 6,500 job cuts at its Talbot subsidiary at the beginning of the year, is trying to shed another 6,000 staff at its Citroen division, where the Government, up to now, has been refusing approval of its request for 2,000 outright redundancies.

Alan Friedman reports on the most aggressive Italian leader in years

Craxi through to the next round

Sig Bettino Craxi, Italy's Socialist Prime Minister, who has just completed one year in office, is not among the country's more popular figures. Popular or not, however, Sig Craxi has proven himself to be tough, even uncompromising, and a survivor as well.

After months of bitter conflict with the opposition Communist Party, and despite reservations among members of his five-party coalition about his confrontational style, the Italian Prime Minister last week reached an accord with his coalition partners which could keep his Government afloat for several more months and possibly even for another year.

The accord, largely a symbolic restatement of Government objectives, capped several weeks of lengthy discussion and review and for some coalition partners, upset at Sig Craxi's aggressive style, it represented an unpleasant but necessary closing of ranks.

The partners may have felt they had little choice but to come to an agreement because of the Communists' good showing in June's European election. They overtook the Christian Democrats by a fraction of a percentage point to become Italy's largest single party, with 33.3 per cent of the vote. Sig Craxi's Socialists, by contrast, made no gains.

But the Prime Minister's personal style remains a contentious issue; he shows remarkably little inclination for an Italian leader to seek compromise in the traditional way, and far from being afraid of confrontation, some feel that he revels in it. This is not the way things have been done in Italy over the last 40 years.

The art of consensus and compromise as practised since the war has often, however, been a recipe for inaction on key issues. Sig Craxi rejects the traditional route precisely because he maintains that with an inflation rate at least twice the level of other European countries and a giant public sector deficit, something must be done.

His attitude has produced a new word in the Italian political lexicon: Decisionismo or decisiveness. This approach has been backed by businessmen but has polarised the political spectrum between the opposition Communists and the Government.

Nothing illustrated the Craxi stance better than the four-month struggle which began last February over the controversial decree cutting the *scala mobile* wage indexation system by a few percentage points.

Sig Craxi used all his wits to counter the obstructive tactics of the communists and eventually pushed through the measure. It was an important psychological battle for a man trying to contain a public sector deficit of L96,000bn (£41bn) by cutting spending and raising revenue.

The Prime Minister's toughness showed again when last month he finally accepted the resignation of Sig Pietro Longo, the Budget Minister, who had been accused of membership in the' outlawed P-2 freemasons' lodge. A minor Cabinet reshuffle went ahead last week without a hitch

With much of Italy now shutting down for the August holidays, Sig Craxi will have time for a respite before pressing ahead next month with his 1985 economic programme. But there are signs that it will take more than decisiveness to alter the Italian political tradition of infighting.

Last week, only 24 hours after Sig Craxi won a vote of confidence on his five-party accord, he suffered an embarrassing parliamentary defeat when three decree laws concerning funding for Italy's development agency for the South and local authorities were rejected in a secret ballot.

The unflappable Prime Minister was quick to dismiss the setback as an August joke, caused by the absence of legislators who had already gone on holiday. A Government with parliamentarians at the seaside "could not help going under water," he said.

But the incident does not auger well for the autumn. The Prime Minister will be vulnerable to Communist Party taunts about the parliamentary defeats even if the actual issues of public spending can be fudged. Though there has been talk of a thaw in relations between Sig Craxi and the Communists and the Communists need to redefine their goals since the death in June of Sig Enrico Berlinguer their veteran leader, and the emergence of his less charismatic successor Sig Alessandro Natta, a large sector of the party still favours confrontation.

One of the main things in Sig Craxi's favour inside the governing coalition is that there is no viable alternative to his leadership. His aggressive approach may have damaged his own party electorally, judging by the June results, and some Italians believe that he has become a prince regent figure, doing the bidding of the more powerful Christian Democrats in the coalition.

It remains to be seen whether the Christian Democrats can succeed in getting Sig Craxi to tone down his rhetoric under the new accord. But one thing is certain: when everyone returns from the seaside in September, Rome will not have seen the last round.

SIG Alessandro Natta, the leader of Italy's Communist Party, is to travel to both Moscow and Peking in the next few weeks, it was announced yesterday.

The trips to the Russian and Chinese capitals will be Sig Natta's first since succeeding Sig Enrico Berlinguer as Communist leader, following Sig Berlinguer's death in June.

In Moscow, where Sig Natta is expected to meet Mr Konstantin Chernenko, the Soviet leader, the talks are likely to cover Euromissiles, relations between the superpowers and the North-South dialogue.

Sig Bettino Craxi . . . survivor

Moscow matches American MX and cruise

BY DAVID BUCHAN, EAST EUROPE CORRESPONDENT

THE SOVIET UNION is matching the U.S. by testing its own versions of the American MX and Cruise missiles, acording to Marshal Vladimir Tolubko, head of Soviet strategic rocket forces, in a Moscow magazine interview published yesterday.

Literaturnaya Gazeta, the influential weekly whose regular coverage goes beyood literary matters but rarely to nuclear issues, quoted Marshal Tolubko as saying that the Soviet armed forces were carrying out a 1983 pledge to match latest U.S. missile developments.

It goes on to claim: "Not in any single parameter—power, distance, accuracy, invulnerability—are our rockets inferior to those of our foe."

The article's anthor, Mr Valery Gorbuoov, said he was taken to see a missile test, but gave no details or whereabouts. A U.S. RC-135 spy plane was waiting around the missile's ocean landing zone, the journalist was told.

Marshall Tolubko's implication was that the latest Soviet missile tests stem from Moscow's publicised "countermeasures" last year to the breakdown of nuclear arms with *Washington*. *But* this does not stand up to scrutiny, indepeodent experts say.

Specialists at the London-based International Institute for Strategic Studies point out that the Soviet Union has long had its equivalent, the heavy SS-18 *missile*, to *the multiple* warhead MX which President Ronald Reagan is now planning to deploy in stationery silos.

The two superpowers have this year accused each other of breaking the tacit agreement to abide by provisions of the unratified 1979 Salt 2 treaty, including the allowance for flight testing ad deployment of only one new long-range ballistic missile by each country.

The Reagan Administration has complained that, while the Russians have declared their new *PL-4 missile*—known in the West as SS-X-24—to be their own new permitted type of missile, they have gone on to tes anoher, the SS-X-25.

The Russians claim it is only a modernisation of the earlier SS-13; this is powered by solid *fuel* with *which* the Soviet Union has so far not had much success.

For its part, Moscow has suggested that the U.S. is infringing the Salt 2 provision by planning both the MX and a new smaller type known as Midgetman.

However, the latter will only be ready fer testing after 1985, when the Salt 2 treaty was due to expire anyway.

Meanwhile, the Soviet Union is building a new class of large *aircraft carrier, according to* Jane's Defence Weekly, which this week published a photograph, apparently from U.S. satellites, purporting to show the first such carrier under construction on the Black Sea.

Because of its size, an estimated 75,000 tonnes, the ship is being built in two sections.

Portugal plans to modernise economy

By Diana Smith in London

PORTUGAL'S coalition Government has a plan for modernising the national economy which it expects will be greatly helped by membership of the European Community in 1986.

Portugal's accession to the EEC should bring it substantial finance from regional and other Community funds.

The plan is a further stage of the economic strategy devised by Sr Ernani Lopes, the Finance Minister, and backed by Sr Mario Soares, the Prime Minister. It began with fierce austerity in June 1983, to lessen a dramatic external imbalance.

The strategy continued in June *with a three-year recuperation plan* aimed at trimming fat from the public sector and boosting private activity. It will be taken a step further io December when full details of the modernisation plan are disclosed.

Sr Mario Soares

This week, with careful attention to Portugal's financial difficulties, the Government marked the main areas for modernisation. They are:

● Intensified development of agriculture and fishing, which lags far behind the rest of Europe;

● Advances in industry propelled by greater investment in education as a whole and technical training specifically and by technical innovation. Portugal's scarcity of resources in recent years has prevented investment in research and development.

● Development of energy resources and efficient energy savings programmes;

● Streamlining of the civil service, which is overstaffed, poorly paid and not generally encouraged to take responsibility;

● Dynamic export policies, aimed at diversifying products and markets;

● Investment in reforestation and modernisation of both the fishing and commercial fleets that cannot compete in their present condition with either Spain or other European countries;

Christopher Bobinski reports on the power of Polish bureaucracy

The battle for control of coal

A KEY BATTLE for the future of Poland's decentralising industrial reforms is being fought between the country's Mining and Power Ministry and the companies under its control.

Ever since the Polish authorities gave the companies greater powers in 1982 the Mining Ministry has argued that the nature of coal production meant that the new rules should not apply.

The Ministry has refused to decentralise decision-making, workers' councils were slow to be established in the mines, and it shows every sign of being unhappy about the reform's provision that companies be financially self-supporting.

General Wojciech Jaruzelski, the Polish leader, has generally trumpeted his moves to increase company autonomy as putting an end to the over-centralisation of his predecessor, Mr Edward Gierek, which brought Poland to ruin by the end of the 1970s. But his government has always seemed ambivalent in applying the reforms to the mining sector.

For many months after the imposition of martial law in late 1981, the mining industry was kept "militarised" or subject to central *army* control, although reforms were introduced in virtually all other sectors.

This was partly out of Government fear of the potential political strength of the miners, and partly in recognition of coal's key role in the economy. Last year, for instance, coal exports accounted for $670m of the country's total $1.5bn hard currency trade surplus.

Acting on the fact that the state-regulated price for coal is below production costs and thus the mines are subsidised, the *Ministry has exploited* a loophole in the company law and had the country's 67 coal mines declared non profit-making utilities, so that the rules on decentralisation would not apply.

The Ministry also seems to be *unhappy about* competitive procedures for appointing managers, another innovation brought in by the reforms. In 1983, of the nine managers appointed by the Ministry in its 233 companies, none went through a competitive procedure.

The Ministry is now attempting to reorganise its enterprises into massive combines. It is meeting resistance from the grassroots, but so far, the Government officials responsible for implementing the reforms, while privately unhappy about the *moves, seem to have yielded* in the face of the powerful mining lobby.

The fear is that, once the Mining Ministry gets its way, other central bureaucrats will also argue that they need to extend "an immediate influence" on the activities of their enterprises.

In July, the Mining Ministry integrated the lignite industry into one huge combine, including the producers of machinery for the open cast mines employing 35,000 people. At present, the mines are *being reorganised* into seven companies, including mine construction enterprises and design offices. These would also have the status of utilities, freeing them of the statutory requirement to make a profit. The new system will go into *effect next January.*

But a similar attempt to reorganise Megat, the power-plant industry federation, has met resistance from workers' self-management councils, especially in the larger companies in the group, like Zamech in Elblag or Dolmel in Wroclaw, which are fearful of losing their autonomy. It is the weaker companies which seem to be happy to return to the centralised fold, with the prospect of greater subsidies.

Ms Lena Kolarska, a sociologist who *has made a study* of the drift to centralisation in a socialist economy, notes that the present efforts are on a larger scale than before. "The Ministry wants to make its work easier by setting up just a few directors over these combines whom they will have to deal with. But above all they want to regain the power which they see slipping away from them under the reform," she says.

Zycle Gospodarcze, the economic weekly, recently printed an account of the struggle against the Ministry's attempts to integrate the power-station construction sector. This would mean the establishment of another great monopoly merging 20 companies and employing some 55,000 people. The paper quotes a director of one of the threatened companies as *saying that the new combine* would have "greater powers than the old structures" abolished by the reform.

The range of resistance has caught the Ministry by surprise, and so far it has maintained an official silence on the issue. At Energomontaz, the workers' council, party officials at the works and the new trades union (whose national federation has also come out against the scheme) have all protested against the plan.

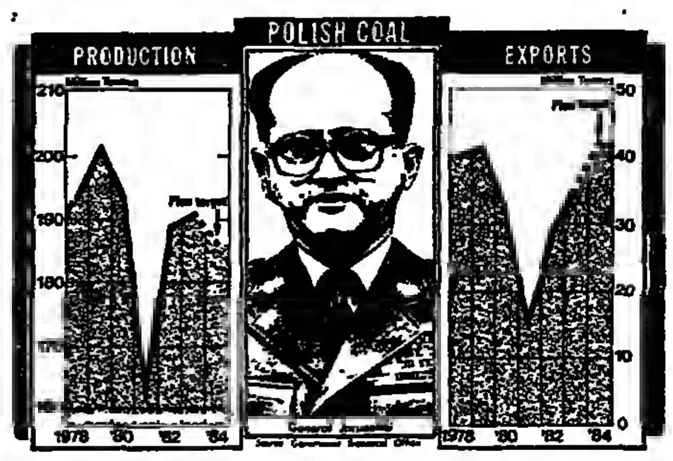
In the past, according to Ms Kolarska, struggles over company autonomy were often conducted over the head of the enterprise concerned between the relevant Ministry and the local provincial party headquarters keen to have the company free of central control. But now, for the first time, organisations inside the company are protesting.

Another novelty is that the company law enacted in 1981 in consultation with the then-legal Solidarity trade union forbids such organisational changes unless they are expressly accepted by the workers' self-management council.

Zycle Gospodarcze quotes Mr Jan Stepien, the chairman of the recalcitrant workers' council at Energomantaz answering the *official argument* that Poland's crisis with its shortages means there must be better centralised co-ordination.

"In the past, we didn't have a crisis, but we had a centralised system, and you couldn't begin to describe the mess our construction sites were in. Centrally appointed officials came and went and the delays grew, to say nothing of the costs, no one counted them, no one even asked about them."

Surprisingly, party officials often thought to be conformists at the company have struck the same note:



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Red Sea mines may have been laid by Libya

BY RICHARD JOHNS

LIBYA, not Iran, is now believed by Egypt and some Western governments as more likely to have been responsible for the laying of mines in the Red Sea and the Gulf of Suez.

Although it has been studiously careful not to say so, Cairo is understood to have regarded Colonel Muammer Qaddafi's maverick regime from the start as the probable culprit.

Particular significance is attached to the Libyan vessel which passed through the Suez Canal on July 6 and its suspicious movements thereafter. The thinking is that Colonel Qaddafi was bent on embarrassing President Hosni Mubarak and his new Government.

At the same time this school of thought does not rule out the possibility that Libya might have undertaken a novel form of international terrorism either in connivance with or in support of Iran which it has backed in four-year-old conflict with Iraq.

On Tuesday Mr Mir-Hossein Mousavi, Iran's Prime Minister, denied that his country was responsible after Tehran Radio had applauded the action of a "revolutionary Moslem organisation as a blow against "arrogant powers" including the U.S., Britain and France.

The New China News Agency yesterday reported, meanwhile, that two Chinese vessels had been damaged by mines in the Red Sea, one of them seriously. They would bring the total to at least 15.

The Hui Yang was hit on July 31 and immobilised until crewmen from another Chinese ship carried out repairs. A second incident on August 3 involved a ship called the Tang He.

Tony Walker adds from Cairo: Britain is expected to deploy several of its minesweepers now attached to its Mediterranean fleet to the Gulf of Suez and the Red Sea as part of an international effort to clear the waterways of mines that are disrupting shipping.

France has also indicated it is prepared to assist, and the U.S. is sending four mine-sweeping helicopters to the region and 200 personnel.

Britain presently has four minesweepers on exercises in the Mediterranean, and it would be relatively simple to divert several to the Gulf of Suez and the Red Sea.

The captain of the Liberian-registered Oceanic Explorer, badly damaged in the Read Sea on Sunday, said yesterday his ship had hit a mine drifting near North Yemen, contradicting a claim by the Pentagon on Tuesday that the damage was caused by an explosion on board.

Japanese telecom Bill delayed

By Jurek Martin in Tokyo

MR YASUHIRO NAKASONE, the Japanese Prime Minister, has been frustrated in his attempt to persuade the Diet to pass the Bill privatising the national telecommunications system in the course of its current session, which ended last night.

However, the failure almost certainly does not mean deferment of the denationalisation of Nippon Telephone and Telegraph (NTT) scheduled for next April.

An extraordinary session of Parliament is likely to be convened about the end of September or early October and it is generally assumed the Bill will then finally pass the Upper House of Councillors; it passed the Lower House last month.

In effect, the NTT Bill fell victim this time around to a complex and quintessentially Japanese set of parliamentary tactical circumstances, in which the merits of the legislation itself were not really an issue.

Although the Japanese Socialist Party led the fight against the NTT Bill, it is by no means solidly against privatising the state monopoly. However, it was intent on denying Mr Nakasone a clean sweep in the shape of parliamentary passage of all the major items on his legislative agenda.

Mr Nakasone is predicting his autumn campaign to retain the leadership of the ruling Liberal Democratic Party—and hence the Prime Ministership—on his legislative record.

In the current extended session, the Diet has indeed passed measures establishing a government advisory body on educational reform, revising the national health system and reforming the tobacco and salt monopoly, all priority items, in Mr Nakasone's view.

Moreover, political custom in Japan is that the government party, though able to command an overall majority, should not be so "arrogant" as to ride roughshod over the opposition and ram its proposals through Parliament.

By agreeing to let the NTT bill hang fire for a couple more months, generally considered a non-critical delay, the LDP and Mr Nakasone have shown proper "consideration" to the opposition's feelings.

David Marsh in Paris reports on the role of French troops abroad

Chad 'gendarmes' set for long haul

FRENCH TROOPS in Chad, a year after being sent in to bolster the Governmeot of the central African country against Libyan-backed rebels, have little immediate prospect of returning bome.

The airlift of soldiers announced laconically in Paris a year ago today bas turned into France's biggest military operation outside Europe since the Algerian war, which ended 22 years ago.

Around 3,300 troops, air force personnel and other military specialists, backed by fighter aircraft, helicopters, a tank squadron and a formidable array of associated bigh-technology weaponry, are belping regular Chad forces to bold an area roughly the size of France — the southern half of the land-locked country uoder the control of President Hissène Habré.

The troops are there to carry out the kind of delicate military operation whicb soldiers bate but have also come to know through France's peace-keeping role in Lebanon: not to fight battles, but to provide an opportunity for warring factioos to sit down around a negotiating table.

Public opinion at home is fearful about getting involved in a far-away war, and the Frencb soldiers bave fulfilled their limited role with aplomb. But on the diplomatic froot there are only slender signs of any breakthrough which will enable France to pull out of Chad with honour.

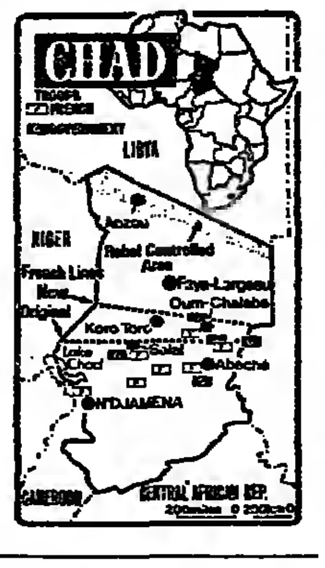
Although the French presence has blocked any rebel advance on the capital N'Djamena, the sparsely-populated desert regions of the North are still in the hands of M Goukouni Oueddei, the former Chad President ousted by M Habre in June 1982. He is now leading rebel forces, backed by perhaps 5,000 Libyan soldiers who are trying to carry out the grandiose design of Col Muammer Gadaffi, of annexing northern Chad into "Greater Libya."

M. Charles Hernu, the French Defence Minister, said yesterday that French troops would stay in Chad as long as Libyan forces occupied the North of the country. M Hernu will visit the troops later this month.

"We will not leave Chad as long as there is a Libyan soldier south of the Aouzou strip," M. Hernu said in a reference to territory on the border with Chad.

The Frencb operation had three objectives — to prevent rebels from seizing the capital, N'Djamena, to end the fighting and to create conditions for a peaceful settlement.

The first aim had been accomplished. "Without the presence of French forces the Libyans and their allies would be in N'Djamena."



French officials are fond of saying that, whereas 12 months ago all the talk was of President Francois Mitterrand being bogged down in Chad, now it is the turn of Col Gadaffi to become stuck in the desert sands.

Certainly, the mercurial Libyan leader has faced domestic difficulties over the cost of his Chad excursions. Although Tripoli has been trying to consolidate its hold over Northern Chad by taking over the civil administration and strengthening its air bases at the two key townships of Faya Largeau and Fada, there have been some difficulties in assimilating the Goukouni and Gadaffi forces, and some desertions to the South have been reported.

Anxious to avoid another full-scale western confrontatioo to add to his troubles with the U.S. and Britain, Col Gadaffi has waxed hot and cold in his relationship with the French. Diplomatic channels are still firmly open, and over the past few months the Libyan leader, declaring basic friendship with the French Socialists and conditional willingness to pull out troops, has adopted a markedly less belligerent tone than a year ago.

The French, for their part, bave built up a smooth-running military organisation in the South, extended their patrols Northwards in the crucial East-West demarcation zone separating the two parts of Chad, and have managed to deflect too much domestic criticism about an apparent resurgence of France's "gendarme" role io Africa.

The balance of a year's operations in the desert includes 12 men killed. Only one, the pilot of a Jaguar fighter shot down in January, has died owing to direct enemy action. This incident—destroying the almost mystical African belief in the invulnerability of France's Jaguar and Mirage squadrons—brought a more aggressive French military stance, much to the liking of M Habre, and a move Northwards of the French-held "peace line."

French patrols and air force reconnaissance, backed by U.S.-made KC 135 mid-air refuelling aircraft in the buffer zone have provided a spring-board for regular Chadian forces to make sporadic harrying incursions into rebel-held territory.

French troops and support personnel have gained valuable desert experience and have also played an important role in assisting the civilian population, for instance by helping villagers return to desert townships ravaged by Chad's intermittent 20 years of civil strife.

But the tally of 11 men killed by accident (including nine in an explosion during a laxly-managed attempt to defuse enemy shells and another pilot lost in a Jaguar crash) says much about the innate risks of desert operations as well as of the boredom which can set in among troops without a clear fighting role.

On the diplomatic front, painstaking attempts engineered by France and other African countries such as Ethiopia and the Congo to bring together for peace talks M Habre and M Goukouni, have so far failed resoundingly.

A key stumbling block has been M Habre's desire to be recognised as the legitimate Chad leader by the Goukouni faction before he will go to the negotiating table. Paris, meanwhile, is placing its main hopes on the Congolese mediation—and is making clear that in the battle of nerves with Colonel Gadaffi, M Mitterand will not be the first to break.

More violence in Sri Lanka

About 100 casualties were reported yesterday in fresh clashes between the Sri Lankan Army and Tamil separatists in the country's Tamil-dominated northeastern peninsula, writes AP from Colombo. Scores of Tamil youths were arrested. Meanwhile, the Government denied Indian press reports that the Navy bad shelled a coastal town on Monday. However, officials said privately that an attack on the town had left about 2,0000 families homeless.

'End French N-tests'

Leaders of 18 Commonwealth countries yesterday condemned France for conducting nuclear tests in the South Pacific and expressed their opposition to the dumping of nuclear waste in the ocean, reports Reuter from Port Moresby.

Mugabe seeks support

Zimbabwean Prime Minister Robert Mugabe yesterday opened the national congress of his ruling Zanu-PF party with a pledge to press for a one-party State, AP writes from Harare. He told the 6,000 delegates that he expected "an affirmation" of past support in the first post-independence elections set before next March.

Editorial Comment Page 16

African currency plan

Leaders of Portugal's five former African colonies have again called for the introduction of a common currency linked to the Portuguese escudo, Diana Smith reports from Lisbon. The call was made by the countries' foreign ministers at a summit meeting this week, but the Portuguese authorities have yet to respond. The escudo is a weak currency, and senior financial experts seem more enthusiastic for a plan to create a central bank

Israeli parties to start detailed unity talks

BY DAVID LENNON IN TEL AVIV

NEGOTIATIONS on establishing a national unity government in Israel move into higher gear today when teams from the Labour Party and the right-wing Likud Bloc meet for the first of a series of talks in search of a common platform.

The discussions are likely to be difficult, and there is no guarantee that they will be successful. The Likud, which ruled for the past seven years, insisted yesterday that the question of who will head the national unity government must be included on the agenda.

Labour regarda this as an affront to President Chaim Herzog, who on Sunday invited Mr Shimon Perez, the Labour Party chairman, to try to form a coalition from among the 15 parties elected to the 120-seat Knesset (parliament) last month.

But even before dealing with the leadership question, the country's two main parties will have their work cut out bridging the gaps between their views on such contentious issues as peace negotiations with the Arabs, and the future of the occupied West Bank.

Setback for HK councillors

BY DAVID DODWELL IN HONG KONG

HONG KONG Government officials yesterday told legislative councillors that local people should not "hold ont for any hope of amendment in the detail" of the Sino-British agreement on the territory's futureonce it is published probably at the end of September.

The Government statement added weight to calls by councillors for people to speak ont in the "crucial weeks" between now and mid-September on the essential ingredients of any agreement — "so as to leave no doubt in anyone's mind what the elements that are absolutely essential are."

Tho exchanges came during a special session of Hong Kong's Legislative Council, Legco, the local equivalent of Britain's Parliament, on the assessment office to be set np in September to guage pnblic attitudes towards the agreement. It was the last session of Legco to he beld before the summer recess.

At the same time, Sir Edward Youde, Hong Kong's govetnor, yesterday opened the 20th session of secret Sino-Britisb negotiations in Peking on the future of Hong Kong. China will resume sovereignty of the territory in 1997, when Britain's lease on nie tenths of the colony runs out.

In all, the territory's political leaders were given short shrift by government officials over their various requests. The call for a referendum in the event of the assessment committee failing to find a "defiultive view" of public reaction was dismissed outright—as it was by ir Geoffrey Howe a week ago.

Requests for the assessment office to take an active opinion-finding role, rather than "passive reliance on existing government machinery," and that it should be able to commission independent surveys, were also dismissed. A government official said the office would be passive, "keeping its eyes and ears open to all views."

SINGAPORE CELEBRATES 25 YEARS OF SELF-RULE

Lee's message of rugged optimism

BY CHRIS SHERWELL IN SINGAPORE

THE TINY island state of Singapore, celebrating 25 years of self-rule with a grand National Day parade today, has reached the final stage of a transition to a new generation of leaders, an optimistic Prime Minister Lee Kuan Yew said last night.

Mr Lee, who has led the country for so long that only one in three Singaporeans can remember life before he became leader in 1959, was giving a nationwide telecast which heralds a climax to months of colourful festivities and a possible snap election.

The anniversary of the end

to Singapore's British colonial tie has brought countless outbursts of rhetorical self-congratulation over the country's remarkable achievements and stark warnings from "old guard" leaders about the dangers of complacency in an uncertain world.

Mr Lee's optimism was also a direct answer to the worries of older Singaporeans who have wondered whether the "good life" brought by years of high, uninterrupted economic growth has weakened the work ethic and values of the young.

The young, he replied, were aware of the realities. But he also offered his own word of warning when he said they must understand "why our society must alwaya be better organised and more disciplined than the average."

In abort, they can expect continued restrictions on everything from public breakdancing to pre-dawn hell-riding, persistent exhortations to be productive and polite, and unrelenting reminders about how the trials of the past justify controls on freedom today.

Equally, however, they can look forward to a future of assured jobs, good wages, improving standards of living and a stable currency—provided the world economy remains stable and Singapore's powerful neighbours stay committed to co-operation and development. As Mr Lee said yesterday: "Any collapse of our social organisation is fatal and final."

Mr Lee said that the country's 2.5m population bad become a "self-reliant people, a rugged society, one which can survive."

As if to underline the point, he announced that the economy had recorded 9.7 per cent real growth in the first six months of this year, putting it well on course for a full-year figure above 1983's impressive 7.9 per cent.

By this time next year, he went on, the majority in parliament and in the cabinet would be the younger generation. "I am like the conductor of an orchestra whose star players and supporting musicians have changed," he said.

He declared that he was optimistic that the yonoger generation would be able to play just as well, "so that the music is as full and resonant as when the old stars were the leading players."

This was confirmation that many younger parliamentary candidates, gradually unveiled by the ruling People's Action Party over recent months, would be takiog the place of older MPs. Expectation is still running high that one of the candidates will be Mr Lee's son, Brig-Gen Lee Hsien Loong.

AMERICAN NEWS

If you're a top boxer, it helps to like food—and pain


Michael Thompson-Noel reports from LOS ANGELES

HE HAS yet to earn a world record, to go with his Porsche; but America's Carl Lewis, the poor little rich boy of Olympic track and field, has already set his seal on the Los Angeles games.

He has won the 100 metres and long jump, and was last night contesting the final of the 200 metres. His possible final tally: four gold medals. The hallmark of his performances: calm professionalism both in approach and execution.

The Los Angeles games are already the Carl Lewis Olympics. But other men and women are leaving their marks — among them, a boxer and a diver, both of them Americans, each of whom strains the vocabulary of excellence.

The boxer is Mark Breland, a child of the Bedford-Stuyvesant slums of Brooklyn, New York — a willowy welterweight who entered the Games encumbered by so many accomplishments that they clanked when he walked.

A three-time world champion, Breland is regarded as the most accomplished amateur fighter the U.S. has seen. He is 6 ft 3 in—unusually tall for a welterweight—but his centre of gravity is low, his balance excellent, his watchfulness (or "radar") famed, and his intelligence considerable.

He has yet fully to develop his left hook, but his right is regarded as textbook. According to his trainer, Breland is always toying with new rhythms, different punching distances, and unexplored angles.

The effect is so impressive that before the Games, his record was 104 victories in 105 fights, with the result that pundits were comparing him to Muhammad Ali, Sugar Ray Leonard—even Sugar Ray Robinson.

He takes some feeding. "I can have ten pancakes at a time. Then I walk about ten blocks and have to stop some place to eat." Hazlitt would have liked his succinctness. Of his profession, Breland says frankly: "I like pain."

Breland has already appeared in a movie, as a persecuted black military cadet in The Lords of Discipline, and anticipates five to six extravagantly rewarding years in the professional ranks before following where Johnny Weismuller and Buster Crabbe went before and embracing Hollywood (or at any rate acting) full time.

Last night, Broland was fighting Genaro Leon of Mexico for a berth in the semi finals. Leon is not a taciturn man. "I will stay close to him," he said before the fight. "I will use hooks to the liver on him. His jaw is weak, and I think his liver is, too. I think I'm going to upset him." That is what the bull said before the matador spiked him.

On Tuesday evening, as a professional hors d'oeuvre, I watched six quarter-final bouts which produced three good winners.

They were Chun Chil Sung (South Korea) over Leopoldo Cantancio (Philippines) in the lightweight category; Evander Holyfield (U.S.) over Sylvanus Ikello (Kenya), at light-heavyweight; and Kevin Barry (New Zealand) over Jean Paul Nanga (Cameroon), also light-heavyweight. Holyfield, who simply batters his opponents senseless, headguards or no, was immaculately impressive.

However, a spirited row developed between the U.S. and South Korean camps after U.S. welterweight Gerry Page won a 4-1 decision over Kim Dong Kil. A formal protest was lodged, and South Korea, which plans to host the 1988 Olympics, threatened to withdraw its boxing team if the result was not overturned.

According to a South Korean official: "The United States does not have to do this. They have a strong team, strong boxers, but they have too much influence on the judges. All the Americans always win. I think sometimes they lose and they still win."

A second man leaving an indelible mark on the 1984 Olympics is U.S. diver Greg Louganis, the overwhelming favourite for gold medals in the three metre springboard and ten metre platform events. Fathered by a Samoan teenager, sensitive and introverted, Luganis has won every international competition except the Olympics. He has also earned the world's highest points total for a single springboard dive (a 99.0, employing a reverse 1½ somersault with a 3.3 degree of difficulty).

He so dominates his events that it is joked that he gets good marks simply for showing up. Perhaps he does. At any rate, he makes the third class cabaret act known as synchronised swimming—in which pretty ladies jiggle their ankles while floating—upside down—look precisely what it is: mutton dressed as lamb.

The biomechanics of diving are a science in themselves. According to a coach: "The divers' job is a matter of erecting forces and then controlling them. It's creating momentum and then learning how to analyse it as you're doing it."

According to another expert: "It's a truly complex sport. In inward and reverse dives, for example, the diver must remember to rotate further than he does for the same number of rotations done in forward or backward dives. The flight path of the diva moves in one direction while the diver spins in the other. At contact with the water, the rotation is stopped abruptly at one end of the body while the other end tries to continue in the direction of the flight path."

That is the easy stuff, of course. What Louganis explores, as no one has before, is the meeting ground between aerial mathematics, free-fall gymnastics, and pure human beauty—all in a blink of time.

Buying spree expected as U.S. relaxes rules on broadcasting

BY TERRY DODSWORTH IN NEW YORK

THE U.S. broadcasting industry is rapidly gearing up for what is expected to be a big buying spree after the federal communications commission's decision to relax its 31-year-old rules on station ownership.

The regulations that have governed the industry during a period of expansion are due to be changed in September. Until now, while the industry has grown out of all recognition, individual companies have grown only under severe restrictions.

From next month, however, broadcasting companies will be launched into a free-for-all to consolidate their position before a further deregulation step in 1990 leaves them virtually free to expand as they wish.

Although a change in the system of broadcasting control has been expected for some time, the FCC's decision, made in a four-to-one vote, illustrates the continuing drive of the Reagan administration towards the further deregulation of U.S. markets.

Back in 1953 the FCC decided to limit station ownership in the interests of diversity and competition within the broadcasting market. It set an arbitrary ceiling on the ownership of broadcasting networks by any company or individual.

This so-called 7-7-7 rule, confining ownership to seven television stations, seven am and seven fm radio stations — is being revised to allow ownership of 12 of each. No one will be allowed to own more than one in any single market. In 1990 the FCC is proposing to remove virtually all restrictions on ownership.

An immediate response to the FCC's proposals has come from the Telecommunications Research and Action Centre, a Washington pressure group strongly opposed to further concentration of broadcasting ownership, the centre believes the FCC's changes will lead to increased prices for broadcasting stations, and thus make it more difficult for minorities and smaller operators to enter or remain in the market.

No detailed reaction has yet come from Capitol Hill, but representative Timothy Wirth, a Colorado Democrat who heads the house telecommunications sub-committee, says Congress favours adoption of "objective, long-term rules that assure diversity and competition."

Mr Wirth's own view, which certainly cannot be discounted over the longer term, is that the rules should allow wider ownership, but should also avoid complete deregulation. He would like to base ownership limits on the percentage of the nation's viewing audience a station could reach.

Next month, however, it looks as though the scramble to apply the new 12-12-12 rule will begin in earnest. The incentive to expand clearly exists in the extremely healthy margins on broadcasting in the U.S Capital Cities Communications, for example, earned 15 per cent on sales last year—some 10 per centage points more than General Motors, and about 1 per centage point more than IBM.

There are some doubts about the ability of the big network groups like NBC and CBS to use their newfound freedom to expand as quickly as they might wish, in spite of their strong cash positions.

The number of television stations alone has grown in the U.S. from 199 at the time of the original FCC ruling to 1,169 today.

Bush agrees to TV debate with Ferraro

WHITE HOUSE political strategists, in a change of mind, say Vice-President George Bush is prepared to have a television debate with his Democratic opponent Ms Geraldine Ferraro, Reuter reports from Washington.

Ms Ferraro, the first woman to stand for vice-president for a major party, has challenged Mr Bush repeatedly to a debate and said she would meet him under any conditions.

Initially, Mr Bush said he was willing, but White House aides then demurred believing a debate carried high risks with little potential benefit.

However, Mr Peter Teeley, Mr Bush's press secretary, said yesterday: "If there is a debate between the President and Mr Mondale, there's going to be a debate between the Vice-President and Ms Ferraro."

President Reagan has agreed in principle to a debate with Democratic Presidential Nominee Walter Mondale.

Mr Mondale has proposed six debates with each session devoted to a single topic. Mr Reagan says two is more appropriate because the public will be bored by more.

Canadian business group seeks economic change

BY BERNARD SIMON IN TORONTO

AN INFLUENTIAL Canadian business group has asked leaders of the country's main political parties to steer the next Government towards freer trade with the U.S., fewer restrictions on foreign investment and less public sector involvement in the economy.

The Business Council on National Issues, whose members include the chief executives of 150 of the country's largest companies, has written an open letter to the three political leaders.

It calls on them to: "Confront the urgent challenge of reducing the (budget) deficit and our soaring national debt, (to) provide strong moral support in our crusade to become more competitive, and to take concrete steps to dramatically enhance the investment climate in Canada."

The letter is signed by Mr Rowland Frazee, chairman of Royal Bank, the country's largest banking group, and Mr Darcy McKeough, chief executive of Union Gas.

Canadians go to the polls in a general election on September 4. Economic issues, especially unemployment rate, have been an important focus of the campaign so far.

With the exception of the left-wing New Democratic Party, economic policies of the major parties remain nebulous with few long-term proposals for dealing with Canada's economic problems.

Specific measures advocated by the business council include:

● Negotiations for a "trade enhancement agreement" with the U.S., which accounts for three-quarters of Canada's foreign trade. The agreement would include a dismantling of non-tariff barriers and new machinery to solve trade disputes.

● A reassessment of foreign investment controls, including the possible dissolution of the Foreign Investment Review Agency, and elimination of provisions in the National Energy programme discriminating against foreign oil companies.

● An immediate review of Government spending with the aim of cutting expenditure by C$5bn-C$10bn a year. The council urges a review of Canada's universal social programmes.

● Greater access to the armed forces for volunteers as one means of expanding youth training.

Venezuela's creditor banks start latest debt talks

BY MARGARET HUGHES

VENEZUELA'S leading creditor banks yesterday began a round of negotiations in New York to consider the Venezuelan Government's proposals for rescheduling its public sector debt.

The creditor banks not generally enthusiastic about Venezuelan proposals, have yet to reach a consensus but hope to do so by the end of this week. By contrast with previous negotiations, the mood of the present discussions is described by bankers as positive. There is a distinct hope that the negotiations, over 18 months, may lead finally to the signing of a rescheduling agreement by the end of the year.

The Venezuelans have proposed a fixed debt servicing arrangement for the re-scheduling of the $22bn public sector debt which matures up until the end of 1985. Venezuela would make fixed annual payments of $4.2bn a year. This, Venezuela argues, would be in line with its projected foreign exchange cash flow. The interest margin on these payments would be 1⅞ a percentage point above Eurodollar rates.

The banks, while accepting the principle of such an arrangement, feel the level of annual payments proposed provides too little scope for principal repayments. Given the large level of Venezuelan reserves they argue that the annual payments should be increased. The banks consider the interest margin to be too low. An additional stumbling block to any rescheduling agreement are the interest arrears on private sector debt of $7bn.

● VENEZUELA'S state planning ministry has dropped its earlier projection of real gross domestic product growth for the current year from 1 per cent to zero. Last year, Venezuela's economy contracted by 3.2 per cent. The ministry predicted that gdp will show real expansion of 3 per cent in 1985 and 4 per cent in 1986, writes Joseph Mann in Caracas.

State planners projected that Venezuela's international reserves—at over $12bn—would fall to $10.3bn by year-end 1984 and $9.8bn in 1985 and $9bn 1986. The inflation rate for this year was projected at 16 per cent.

Brazil's main opposition links with dissidents

BRAZIL'S major opposition party has formally joined an alliance with a dissident faction of the ruling Social Democratic Party (PDS) to contest Presidential elections in January, Reuter reports from Brasilia.

Leaders of the opposition Democratic Movement Party Party (PMDB) and the dissident Liberal Front said in a statement on Tuesday that they had united with the aim of forming a government of conciliation.

The alliance named Sr Tancredo Neves, 74-year-old governor of Minas Gerais state, as its candidate to replace President Joao Figueiredo and end 20 years of military rule.

The statement said the alliance would introduce a new constitution allowing direct election of the next President, due to be chosen in 1990. Presidents are now chosen by an electoral college comprising parliamentary deputies.

Alliance leaders have said the defection of about 60 Liberal Front members to the opposition should ensure the election of Tancredo as President.

U.S. chipmaker settles row

NATIONAL Semiconductor, the major U.S. chip manufacturer, and the Defense Logistics Agency, the purchasing arm of the U.S. Defence Department, have reached agreement resolving the final issues from the company's admitted failure to fully test some microcircuit devices between 1978 and 1981, AP-DJ reports from California.

National Semiconductor said the agency has dropped debarment proceedings against it and restored the company to full contracting eligibility.

The agreement settles the administrative issues arising from a conviction on March 6 when the company pleaded guilty to a 40-count indictment, paid a fine of $247,000 and paid the government $1.5m in compensation for its undertesting.

WORLD TRADE NEWS

U.S., Israel hopeful free trade area deal is close to signing

BY DAVID LENNON IN TEL AVIV

TALKS BETWEEN Israel and the U.S. on setting up a free trade area have reached an advanced stage. The Israelis are hoping the agreement can be signed by mid-September and that implementation will begin on January 1 next year.

This is the first agreement of its kind negotiated between the U.S. and a foreign country, and if the talks prove successful, it may set the pattern for trading agreements between the U.S. and other countries.

Discussions began in January and a further round of negotiations is taking place in Jerusalem this week between senior Israeli and American officials. One American official said on arrival, "we will work here around the clock if necessary until we have most issues finalised."

According to Mr Dan Halperin, Israel's economic counsellor at the Washington embassy, "We still have some problems to overcome. Nevertheless, I am optimistic that there is a momentum to these negotiations and therefore I believe we are going to see the end of it very soon."

According to Ms Doral Cooper, deputy head of the U.S. delegation, the major hurdles which have still to be crossed are the difficult issue of subsidies, the issue of the pace of tariff reductions, and the balance of payments question.

Israel helps its exporters by providing subsidies of more than 20 per cent, directly or through manipulation of the dollar-shekel exchange rate. The U.S. is insisting that this subsidy be removed.

The Americans are also unhappy about Israel's request to reduce import duties gradually up to 1995, when it will have to abolish them with respect to imports from the EEC. Jerusalem and Washington also differ on the question of Israel's right to impose unilateral import curbs if it feels that the balance of payments deficit requires emergency measures.

The U.S. is Israel's second largest trading partner. In 1982 it accounted for 19 per cent of Israel's imports and 22 per cent of its exports, compared to the EEC's 37 per cent and 33 per cent respectively.

The pact being worked on will provide for much wider penetration into each other's markets than the existing agreement which Israel has with the EEC. The agreement with the Common Market provides for the free movement of industrial products alone. The free trade zone between Israel and the U.S. will operate unrestricted movement for goods, services and agricultural produce.

Indonesia may produce components for BAe

BY KIERAN COOKE IN JAKARTA

BRITISH AEROSPACE says it's ready to discuss component manufacturing with P.T. Nurtanio, Indonesia's aircraft manufacturing company, as part of a package to sell the new BAe 146 jet aircraft. The four-engined 80/109-seat 146 has been in Indonesia as part of an extensive tour of the Far East, including China.

A BAe director, Mr Michael Goldsmith, said that in order to sell the airplane in Indonesia all options had to be considered: from the manufacture by Nurtanio of small components to complete local assembly of BAe aircraft. Leasing arrangements and the possibilities of counter purchase would also be looked at.

The 146 has generated a lot of interest in Indonesia and has particularly impressed officials with its ability to land on short and remote airstrips forbidden to other civil jets.

● Airbus Industrie, the European airliner manufacturing group, has won an order from the United Arab Emirates for two Airbus A-300-600s, the long-range version of the A-300 Airbus, worth over $80m, Michael Donne reports.

The aircraft are due for delivery to the president of the UAE, for private and government use, in 1985.

Japanese car parts plant set for U.S.

By Robert Cottrell in Tokyo

NIPPONDENSO, the Japanese automobile parts manufacturer which is an associate of Toyota Motor Corporation, plans to build a Y10bn (£31m) air-conditioner plant in Battle Creek, Michigan.

The plant will produce main parts for 800,000 car air-conditioners a year, according to a company spokesman, with a workforce of 200. The final assembly of the units will take place at Nippondenso's Long Beach, California, plant.

Nippondenso plans to sell 200,000 of the newly-produced air-conditioners annually to New United Motor Manufacturing, a subcompact car-production joint venture between Toyota and General Motors of the U.S., based in Fremont, California, due to start production at the end of this year.

Meanwhile, Reuter reports that Nippondenso's parent company made after-tax profits of Y18bn in the six months ended June 30, against Y15.68bn last year.

Dutch harbour deal

Two Dutch-based construction groups, Ballast Nedam and Broekhoven, have won an order worth at least Fl 130m (£30m) to deepen the harbour at Port Hedland in north west Australia, Walter Ellis reports from Amsterdam.

Ballast Nedam is part of Wedge International Holdings. Its Australian subsidiary, Condreco, will operate alongside Broekhoven Australie, and the total contract could be worth as much as Fl 200m.

Venezuelan aluminium

Venezuela's Ministry of Development recently approved a request by Sural (49 per cent-owned by Southwire Corporation of the U.S.) to install an aluminium plant in Venezuela with up to 100,000 metric tonnes per year of smelting capacity to be used for wire rod production, according to a Ministry official, Joseph Mann reports from Caracas.

Poland-Iran accord

Poland, which has strong trading links with Iraq, wants to buy more oil this year from Baghdad's adversary Iran in exchange for industrial products, according to the official Warsaw daily Zycie Warsaw, Reuter reports from Warsaw.

FT writers examine two reports with contrasting views on U.S. trade performance

Washington worries over high-tech imports

AS AMERICANS grapplo with the implications of a trade deficit which is likely to hit $120bn this year, their concern is no longer confined to the traditional headline-grabbing industries such as steel or textile-manufacturing.

Attention is increasingly being focused, too, on an apparent deterioration in the trade balance *in high-tech* goods. Among those worried by the prospect is no less an authority than tho Commerce Department.

In a recently-published study of long-term trends in U.S. trade performance, the department says it can detect a "narrowing of the U.S. technological advantage that was the foundation of U.S. export capability."

This is o relatively new element in the debate about the U.S.'s unprecedently large trada deficits. Most economists have hithorto blamed them on broad macroeconomic developments such as the high-flying dollar, the role of the U.S. economic recovery in sucking in imports, and that of the debt crisis in choking off exports to developing countries.

But the Commerce Department is asking whether the increasing share of imports in the U.S. capital goods market or apparent adverse trends in the high-tech trade balance poiot to structural weaknesses.

Tho report does not give o conclusive answor. But it does make clear that manufactured imports have been rapidly increasing as a proportion of total imports, and that high-tech exports hava not been sufficient to offset fast growth in U.S. demand for low-tech manufactured goods.

These facts, it says, have been bohind the large rise in the trade deficit in manufactures, which jumped from $10.6bn in 1982 to $38.2bn last year.

The high-tech sector itself, which inclndes such products os aircraft, communications equipment and industrial inorganic chemicals, has seen a sharp decline in its trade surplus. Between 1980 and 1983, U.S. exports of high-tech products increased by only 9 per cent, whilo imports soared by 48 per cent. In particular, tho U.S. has been running an increasingly largo trade deficit on communications equipment and electronic components—$8bn last year, up from just under $3bn in 1980.

One source of the deteriorating high-tech trade balance is, of course, Jopan. The U.S. high-tech trade balance with that country rose from $6.5bn in 1982 to $8.9bn last year.

But *there* was also a big increase, from $1.4bn to $2.6bn, in the deficit with four other East Asian countries, Hong Kong, South Korea, Singapore and Taiwan. Indeed, after Japan, these newly-industrialised countries appear to be the biggest gainers from the surge in U.S. import demand. If car sales are excluded, they boosted exports to the U.S. three times as fast as Japan last year.

The suggestion that the U.S. is falling behind this competition seems a little far-fetchod. But it is quite possible that there has been some narrowing of the U.S. technological lead.

For this reason, it is hardly surprising that the U.S. is becoming more intolerant of barriers to its high-technology exports and of the continued *difficulty it is having* in exporting more to Japan.

The Commerce Department study points out, for example, that whereas the share of manufactures in total imports rose from 47 per cent to 64 per cent between 1965 and 1982 in the U.S., the increase was only from *22 per cent to 23 per cent in* Jopan.

Stewart Fleming

Study says exporters have kept competitive edge

THE NEW YORK Stock Exchange (NYSE) has plunged into the controversy over the future of U.S. manufacturing industry by taking issue with tha view that domestic producers have lost their competitive edge.

In a fiercely-argued research study, the NYSE concludes that the country's trade performance has been "considerably better than is widely perceivod" in tha last decade.

Its publication in the run up to the Presidential elections will be seen as politically contentious, since it supports the Republican claim that tha *market system* is working and maintaining the underlying fitoess of corporate America.

The study goes up to 1982, and makes no judgments on *last* year, when *the country's* trade balance deteriorated dramatically as the economy came out of recession. But it makes the point that trada balances are only one part of the picture.

Its main conclusion are:

● Almost half of 40 industry groups selected for examination had a lerger share of world exports in 1982 than in 1972;

● *In 1982, of the 40 U.S. industry* groups, 23 had largest or second largest share of world exports, compared with 22 a decade earlier;

● Of the five industries in the world in which a single country has at least a 30 per cent share of world exports, the U.S. accounts for three—computers, aerospace and office equipmont;

● *The U.S. share of world* exports was 12.3 per cent in 1982, compared with 12.1 per cent a decade earlier.

These conclusions, says the report, challenge three widely held beliefs—that America has lost its edge in world trade; that it is "de-industrialising"; and that unemployment will rise as the nation loses jobs to cheap labour overseas.

Tho core of the *study* concerns world export trends. Based on the analysis of the 40 industry groups in constant dollar terms over a period since 1962, it concludes that U.S. exports averaged 14.2 per cent of world exports in 1979-81.

This figure compared with a peak of 14.8 per cent in 1962, and a fall to 12.3 per cent in 1982, a year of steep world recession and a high foreign exchange rate.

On the sensitive question of import penetration, the report says that imports to the U.S. grew as a percentaga of U.S. domestic production in 31 of the 40 groups between 1972 and 1982.

But it contends that *apprehension about the trend may be* exaggerated, partly because big increases in foreign penetration are highly concentrated on a few sectors, including iron and *steel (where imports* are up from 8.3 per cent of domestic output in 1972 to 18.5 per cent in 1981) and motor vehicles (up from 15 per cent to 27.6 per cent).

The overall result of the increase in U.S. import penetration and the changes in export performance has been a net loss of jobs. In 1982, *for example*, foreign trade cost the U.S. 584,000 manufacturing jobs after balancing jobs lost to imports *against jobs gained in exports.*

Terry Dodsworth

THE NYSE *study* has already run into criticism, notably from the Harvard *School of Business Administration*, which has been conducting its own, far more critical investigation.

Writing in the New York Times, *Professor Bruce* Scott questioned the NYSE's methodology, saying that U.S. companies only held on to market share *in the 1970s* because the real prices of their goods were declining. *This resulted in a lower rate* of return on total assets in American manufacturing, which failed to keep up with the rising cost of capital. *Companies thus would have* earned more by investing in corporate bonds than in the production of goods.

UN agreement nearer on flags of convenience

BY ANTHONY McDERMOTT IN GENEVA

PARTICIPANTS in the recent UN talks on registration of ships — the so-called flags of convonionce — are optimistic that agreement will be reached in the end, although an accord is not imminent.

A further rounds of talks on the issue, which has been under discussion for 10 years, will take place in Geneva from January 28. In the meantime, the president of the conference, Mr Lamine Fadika, of the Ivory Coast, has been empowered to continue consultations on those — admittedly major — issues which remain unresolved.

Tho main positive result of the recent conference, which ended last Friday, was a gradual acceptance by countries such as Liberia, Panama, the Bahamas, Bermuda, Cyprus, and Vanuatu — all flag of convenience countries—that movement towards an international agreement is irresistible.

Most of the Industrialised countries appear to accept this, too. Tho U.S., however, has reservations. But as one official of the UN Conference on Trade and Development (Unctad), which organised the conference, put it, those who still try to resist the movement "are singing a fading song."

The vested interest of those countries which fly flags of convanience is considerable. Of the world fleet, which consists of 1,400 vessels, representing some 700m tonnes, one third is under "open registry" (flag of convonience), compared with only 5 to 10 par cent in 1955.

According to Mr Fadika, two vital points of principle remain undecided:

● Whather the agreement shsould provide — and if so, to whot extant — for participation by nationals of the flag state in the manning and equity capital of ships;

● *Whether the agreement* ohould provide — and if so, to whether it should just consist of recommondations.

UK NEWS

Irish Gas deal endangered by pricing dispute

BY BRENDAN KEENAN IN DUBLIN

A DEAL to pipe natural gas from Dublin to Belfast is in danger of collapsing because the Irish Government has refused a British request to renegotiate the terms.

Mr Dick Spring, the Irish Deputy Prime Minister, said yesterday that the UK Government was seeking a cut of almost 50 per cent on the price per therm agreed in s joint "memorandum of understanding" last October. That price, never officially disclosed is believed to be 26p a therm.

Since then, however, the price has risen by almost 25 per cent because of rising dollar rates and oil prices. The contract price was effectively in dollars, through a formula linking it to the dollar exchange rate and world prices for gasoil and heavy fuel oil.

This will mean the loss of around 1,000 jobs in the 13 public and private undertakings which currently supply gas.

Ulster authorities have become concerned about the commercial prospects for the project because of escalating cost and a recent consultants' report.

The report suggested that the long-term aim of increasing gas consumption in Ulster – from the present 3 per cent of total energy usage to 12 per cent – might not be achieved without s substantial price reduction.

Mr Spring insists, that last October's terms, which were the result of two years' hard negotiation, remain the best commercial offer which the Irish Government can make. Dublin's reluctance to renegotiate also reflects anger that the British Government should seek substantial changes so late in the day, when an estimated £4m has already been spent on planning, tendering and advertising on both sides of the border.

Both sides accept that the long-term marketing projections are vital, but the Dublin negotiators says the response to the report has been unduly pessimistic.

Mr Spring argued that the consultants' estimates were still well above the minimum quantities which the Northern Ireland authorities were committed to take under the deal.

The Irish Government is also reluctant to drop its asking price below that being charged to customers in the republic, from fear of being accused of giving an effective subsidy to Northern Ireland consumers.

The collapse of the deal could cost the Irish Republic an estimated £20m a year in net revenues. Sales to Belfast would be highly profitable, because the only development costs would be an estimated I£30m for a pipeline to Belfast.

FT writers select their personal Top Ten

The MPs who lead from behind

MOST EFFECTIVE MP'S

- Paddy Ashdown
- Tony Benn
- Nicholas Budgen
- Julian Critchley
- Edward du Cann
- Tam Dalyell
- Austin Mitchell
- Enoch Powell
- Francis Pym
- Ken Weetch

MRS MARGARET Thatcher, the UK Prime Minister, had to wait only two years on the backbenches before becoming a minister, yet Mr Harold Macmillan, the former Prime Minister (now the Earl of Stockton), and Mr Michael Foot, the former Labour leader, had to wait 16 and 25 years respectively after first entering Parliament to become frontbenchers.

These days on the backbenches (where rank and file MPs sit) may have been periods of frustration yet they were not times of ineffectiveness.

Many an MP has made a mark away from the front bench, where senior party members sit, by assiduous committee work and looking after constituents' interests just as much as by making provocative statements or by rebelling.

It all depends oo what an MP wants to do. Fewer members than in the past arrive at Westminster content to be backbenchers for the whole of their parliamentary careers. But within a few years, many MPs become reconciled to a backbench role and thrive on it.

In many respects the most remarkable backbencher is Mr Ken Weetch, the Labour MP for Ipswich, merely because he is in the House of Commons at all. In both the 1979 and 1983 general elections be defied the national trends to be the ooly Labour member in the heart of East Anglia. His Tory opponents suspect that the fact that he has done so twice is largely despite, rather than because of his party label.

Another measure of effectiveness is whose speechs attract other MPs to listen. Who can still rival Lloyd George (Liberal Prime Minister 1916-22)? The two backbench masters now are Mr Enoch Powell and Mr Tony Benn – Powell leaning forward with compulsive passion to awe almost all his critics. Benn, now the prophet, not the technocrat of the 1960s, and the latest in a long line of radical challengers to the establishment.

For all the distinction of the Cabioet in exile on the Tory backbenches (Heath, Pym, Gilmour, Howell, Rippon, Parkinson), few of them have made a sustained impact, at any rate in the Commons.

However, Mr Francis Pym qualifies because, carefully chosen and elliptical as his words often are, his speechs after his dismissal from the Cabinet 14 months ago, and more recently on local government, have clearly struck home to listening ministers.

The wittiest and most telling backbench speaker is Mr Julian Critchley, the Conservative MP for Aldershot, the master of the elegant tease at the expense of the Thatcherite regime. He is as funny a speaker as a light essayist, with the additional merit of making only short speeches.

Some MPs make a mark by getting under the skin of ministers by persistent questioning. Mr Tam Dalyell, the Labour MP for Linlithgow, is the champion of this art, not only over the sinking of the Belgrano in the Falklands war but on subjects ranging from sewers to science policy.

One of these days be is going to get up, head to one side, and ask simply "why?," completely flummoxing a minister.

On the Tory side, the leader of the awkward squad is Mr Nicholas Budgen, the Conservative MP for Wolverhampton South West. After a short period in the whips office (he resigned over Northern Ireland policy) he always appears to be in search of mischief, recently infuriating Sir Geoffrey Howe, the Foreign Secretary, with his questioning over the EEC budget. Few ministers want Mr Budgen to take an interest in their areas.

Hardly any members can claim much legislation to their personal credit but Mr Austin Mitchell, the Labour MP for Great Grimsby, has been at least the catalyst behind several changes. He always appears to be popping up with a motion here or Private Member's Bill there. He can claim to have forced the Government to bring forward changes in the law on conveyancing and to have kept the possible televising of the Commons cootioually io froot of MPs.

Then there are the sober, solid committee men who have in recent years pushed through major changes to streogthen the legislature's scrutiny over the executive – Mr Terence Higgens, Mr Robert Sheldon and Lord (Joel) Barnett.

But the most effective, if only for the oumher of horses he has ridden simultaneously, is Mr Edward du Cann, the Tory MP for Taunton. This autumn be will seek, and almost certainly obtain, a record 13th year as chairman of the Tory backbench 1922 Committee.


Mr Tony Benn: effective speaker

Finally, who promise to be the names of the 1990s and beyond? Some would opt, tongue partly in cheek, for Mr Dave Nellist, the Militant supporter from Coventry, or his mirror image, Mr Nicholas Soames, Sir Winston Churchill's grandson from Crawley. But to preserve party balance the final name is Mr Paddy Ashdown who won Yeovil for the Liberals in June 1983 and is already being talked about as a future party leader.

Peter Riddell
Political Editor

Tomorrow: Ten worst theatrical productions

Court rules against ex-Howden directors

By Raymond Hughes, Law Courts Correspondent

TWO FORMER directors of Alexander Howden Underwriting can not escape Lloyd's disciplinary proceedings later this year in which they are charged with dishonestly misappropriating Alexander Howden Group funds, the High Court has ruled.

The court rejected a claim by Mr Jack Carpenter and Mr Alan Page – two of the so-called Howden "Gang of Four" – that Lloyd's had no jurisdiction over them because they had resigned their Lloyd's membership

The court said their purported immediate resignations on April 12 – five days before the disciplinary proceeding were started – were ineffective.

Mr Justice Lloyd said when they became Lloyd's members they had signed an undertaking which included a clause that "I will not resign my membership without first giving to the committee such notice of my intention to do so as may be required by them."

Mr Justice Lloyd said Lloyd's had contended Section 7 of the 1982 Lloyd's act and Lloyd's by-laws gave the disciplinary committee jurisdiction over a person even after he had resigned, if he was charged with misconduct during his membership.

The judge said he was not persuaded that was right, but he did not have to decide the point and specifically refrained from doing so.

Maxwell delays newspaper plan

BY DAVID GOODHART

MR ROBERT MAXWELL'S plan to launch a new London evening paper – originally scheduled for this autumn – has been delayed until next spring at least.

The new proprietor of Mirror Group Newspapers is still strongly committed to the project, however, and is believed to have commissioned a Marplan opinion survey on the subject. He has also spoken to advertisers and wholesalers.

The present plan is for a London evening designed for an identical market as that now occupied by the Evening Standard, which sells 500,000 copies.

Many observers believe that unless distribution networks are shared between two London newspapers there is only room for one, and that the launching of a second could be disastrous for both.

There has been some speculation that if research bears out the latter belief, Mr Maxwell may even attempt to buy Trafalgar House's 50 per cent share in the Londoo Evening Standard.

He is also said to be considering making an offer for the Thomson Group's Withy Grove works in Manchester, which prints northern editions of the Daily Mirror, but is scheduled to close in three years.

Rich get richer while poor take smaller earnings share

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE RICH are getting richer and the incomes of the poor have been falling relatively behind since the Conservative Government came to power, according to an official estimate published yesterday.

An article in the Central Statistic Office's (CSO) publication, Economic Trends, shows that the richest 1 per cent of the populatioo increaded their share of total pre-tax income from 5.3 per cent in 1978-79 to 6 per cent in 1981-82, the latest year for which figures are available.

In the same period the poorest 10 per cent of taxpapers reduced share of pre-tax income from 2.4 per cent of the total to 2 per ceot.

This change in the share of the national cake, which is also apparent in incomes after tax, affected the richest 20 per cent of taxpayers and the poorest 20 per cent. Those in the middle maintained about the same share of total persooal income.

The CSO says that more than three quarters of total personal income goes to "tax units" in the upper half of the income band. A tax unit is either a single taxpayer or a husband and wife who file a joint tax return. Some of the tax units, therefore, include two wage earners.

Since many of the lowest paid tax units respresent single people, a simple comparison between the top and bottom sectors of the income league can be misleading.

The change in distribution of incomes over the period studied partly reflects the increased number of unemployed people, whose income is inevitably lower. The CSO estimates that the top 10 per cent of earners paid 25.6 per cent of their incomes in tax in 1981-82, compared with 23.4 per ceot in 1978-79. The average tax paid in the late year was 17.1 per cent.

Economic Trends No 369 (HMSO: £11.25)

Acid rain 'requires more investigation'

BY FINANCIAL TIMES REPORTER

FURTHER investigatioo of the causes and effects of acid rain is called for in a report published yesterday.

The Watts committee on energy study warns against "expensive solutions which may, in the end, be found to have little effect."

The report accepts that environmental damage to crops, trees, buildings and fresh water does occur because of acid emissions from the hurning of fossil fuels.

It stresses, however, that it is oot yet possihle to be sure that acid rain is always the main cause of the problem. The findings would seem to back up the Government's case that it would be foolish to spend vast sums of money on any scheme until it could be certain of scientific benefits.

The report supports two other studies published this week which say damage can be caused by a series of complex chemical reactions and confirms that long-range transport of pollution does occur.

It questions whether the halving of sulphur dioxide emissions from British power stations would result in a halving of the acid deposition and polots out that such action could lead to an increase in electricity prices of 4 per ceot to 5 per cent.

JOBS COLUMN

How moving home risks children's prospects

BY MICHAEL DIXON

WHAT SEEMS like a promising idea has been sent in by reader John Howson. Having decided to give up being an academic, he wonders whether recruiters and job candidates would have use for the insights he has gained by studying the ways in which the character of State education varies from one area of Britain to another.

The variances can be acutely important to people considering a move to work in some other part of the country, especially if they have children of secondary-school age. Their prospects in the increasingly decisive 16- and 18-plus examinations are liable to be damaged if, as is often the case, the school in the new area teaches different subjects to different syllabuses and different academic standards.

The trouble is that there is no readily available source of information about such variances.

Mr Howson believes he can fill the gap by developing an information service based on his previous research. At first it would concentrate on state secondary schools, providing:

1—Details of the range of subjects taught to exam level by the different schools in an area, which of the examining boards' syllabuses they used, and the results they achieved.

2—Indications of likely changes in the way local education authorities organise their schooling, such as the concentration of sixth-form studies in separate colleges.

3—In the case of places where children are still selected by academic aptitude for different kinds of schooling, details of the selection procedures used.

The service might also provide help with problems parents meet in trying to get their children into the state school of their choice. John Howson adds, but the important question is whether the number of people willing to pay for such information would be big enough to make the service worthwhile.

Readers who find the idea interesting might like to contact him at 3 Harley Road, Oxford OX2 0HS; telephone 0865 247763.

Assorted pair

TWO assorted jobs are offered by recruiter Alan Ahern on behalf of companies he may not identify. So, as is always the case when headhunters mentioned in this column do not disclose their clients, he promises to abide by any applicant's request not be named to the employer concerned at this stage of the proceedings.

The first is the post of managing director designate of a company to the west of London, which produces science-based products and systems as well as providing a consultancy service. There will be a fair deal of international travel.

Candidates should be technically qualified as well as knowledgeable about electronics and computer applications with success in managing and demonstrable strength in marketing to Government departments, universities and professional concerns in addition to manufacturers of original equipment.

Salary indicator up to £30,000. Car among other benefits.

Mr Ahern's second offer is with a multinational in London which seeks a technical/commercial manager for a range of products for telecommunications, including radio and other broadcasting. The need is for an engineer, preferably in electronics, with experience in the same field and skilled at dealing with customers both commercially and technically.

Salary up to £19,000, again plus car.

Inquiries to Ahern Associates, 60 Quarry St., Guildford, Surrey GU1 3UA; tel 0483 502666, telex 859500 Sharet G.

Sales cascade

HEADHUNTER Brian Standring seeks a cascade of marketing and sales people for a medium-sized British group. Its business is in specialised chemical products for cleaning, maintenance, catering and other industrial as well as agricultural uses.

Topping the range is the post of group sales and marketing director whose prime task will be to examine the whole sales operation, decide how best it can be improved so as to increase the group's shares of its markets, and put the improvements into effect. This task will entail setting up an appropriate marketing function, as well as developing existing sales staff and recruiting newcomers in line with the needs of the revitalised operation.

Hence candidates must demonstrably have a comprehensive strategic understanding of marketing and sales management in addition to successful experience in recruiting, training and leading a big sales force. Applicants should also have set up and run a distributor network, the wider spread the better although export sales are at present small.

Knowledge of the industrial and agricultural consumables business is wanted, too. Familiarity with telephone sales operations would be a help.

Salary around £23,000 plus bonus on results. Car among perks.

The second post in the cascade is for a national sales manager for the group's division which sells primarily to industrial and commercial outlets of numerous kinds. Here the prime need is demonstrable ability to develop and lead a sharp and professional sales operation, preferably accompanied by success in a comparable business.

Salary about £20,000 with bonus and car among other benefits.

Below that there will be unspecified openings for area sales managers in various parts of the country at salaries in the £16,000-£17,000 range.

Inquiries to Standring Executive Search, 53 Wycombe Rd., Marlow, Bucks SL7 3HZ; tel 06284 5931, telex 847159 Marlow G.

Another pair

NOW TO another assorted pair offered by recruiter John Williams of Russell, Williams and Associates (45 St Mary's Rd., London W5 5RQ; tel 01-579 1082). Both are in London.

One is for a lawyer with enough experience of the oil and gas industry to deal with the contractual aspects of consortium relationships, licence applications, joint ventures, and other complications relevant to a British independent oil company, plus the commercial knowledge and drive to negotiate advantageous contracts at top level.

The job title is commercial manager (legal) and the salary indicator is £25,000. Perks include a car.

The other post on Mr Williams's list is for a corporate foreign-exchange dealer cum consultant with the international treasury management group of a UK bank. Besides carrying out transactions on behalf of the group's clients, the recruit will advise multinational companies in Europe and the Middle East as well as the UK on questions of currency and debt-management.

Candidates should have extensive experience in inter-bank dealings, plus keen interest in foreign-exchange and associated markets and the communications skills to advise clients on market technicalities.

Salary guide, which I gather has a good deal of elasticity, is £20,000. Other benefits for negotiation.

Finance boffins

AN UNSPECIFIED number of specialists in financial analysis and suchlike, highly numerate and perhaps with accountancy training before going to work in industry or commerce, are wanted by recruiter Hans Wessel for the London arm of an international merchant bank.

Salary range £15,000-£26,000. Perks for discussion.

Inquiries to Mr Wessel at Noel Alexander Associates, 70 Queen Victoria St, London EC4N 4SJ; tel 01-248 2256, telex 8812703.

Accountancy Appointments

Finance Director

Nottingham area
to £18,500 + car & benefits

The Company, a profitable manufacturer of a highly regarded range of machinery for the mining industry, is part of a well established and substantial UK group. Turnover, which has grown steadily, now exceeds £10m.

Reporting to the Managing Director, responsibility is for the finance function and DP facilities. Initial tasks are to strengthen controls and computerise financial accounting systems. Beyond this, the role offers real involvement in the overall management of the business.

Candidates must be qualified accountants aged over 30, with considerable financial management experience in a manufacturing industry. Significant involvement with job costing and the development of computerised systems would also be desirable.

Personal qualities must include a determined but agreeable personality, together with a high degree of business acumen.

Applications, which will be treated in confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to Kevin Rotherham, quoting reference 1357/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

Director of Finance

North Surrey — c.£28,000+car

The instalment credit and equipment finance subsidiary of a major US financial institution offers a broad range of financial services to both the consumer and the industrial sector. Further expansion and diversification must be matched by the appropriate strengthening of senior management.

The Director of Finance will take full responsibility for all financial and accounting functions, including treasury, financial planning, management information and financial control. There will be a strong emphasis on systems development.

Financial sector experience is not essential. We seek a qualified accountant, aged 34-38, with a track record demonstrating leadership skills, initiative, achievement and genuine commercial flair. There are prospects of an early appointment to the board. Benefits include profit-sharing, a subsidised mortgage and car. Relocation expenses by negotiation.

Please write in confidence, enclosing career details and quoting reference 5045/L, to N.P. Halsey, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria St., Blackfriars, London EC4V 3PD.

PEAT MARWICK

Internal Audit

Challenging opportunity for a young professional

Total Oil Marine currently supplies almost *40% of the UK's natural gas requirements* through the Frigg System and is a substantial North Sea operator committed to an expanding programme of offshore activity. We are now developing the Alwyn North Field as an important new source of both oil and gas for Britain.

Following the centralisation of the company's audit activities, we are looking *for an auditor with 2 or 3 years' oil-related experience* to join our existing team based in our head office in London.

Reporting to the Corporate Head of Audit, you will be required to undertake outside partner audits in addition to having internal audit responsibilities.

You will be a qualified accountant in the *age range 26-33, with a good track record* in audit work. You will have the ability to communicate effectively at all levels with the flexibility to travel, often at short notice.

An excellent index-linked salary is offered for this position, together with benefits which include year-end bonus, BUPA membership, contributory pension *scheme and life assurance.*

To apply, please telephone or write for an application form to: Alison Musgrave, Personnel Officer, Total Oil Marine plc, Berkeley Square House, Berkeley Square, London W1X 6LT. Tel: 01-493 6904.

Total Oil Marine
Bringing energy ashore

Bottoms Up

WINE SUPERSTORES

FINANCE CONTROLLER

LOCATION S.E. LONDON, EXCELLENT SALARY

We are a fast-expanding chain of Wine Superstores privately owned by a well-established importer and wholesaler of Wines and Spirits. Group turnover £30m.

We are looking for a recently qualified Accountant or part-qualified with Retail experience. The successful candidate will be expected to take responsibility for the whole financial function and will prepare accounts for Management and Audit. Budgeting and Computer development are also key factors.

The working environment is informal within our young, dynamic and enthusiastic team. Your contribution will be vital to the future success of the business and only positive-thinking, hard-working self-starters need apply. Applicants should write with full C.V., current salary and recent photograph to:—

Gordon Haylett, Finance Director, BOTTOMS UP RETAIL LTD., 40 Victoria Way Charlton, London SE7 7QS 01-853 2144

"Bottoms Up" A different kind of Wine Shop

TAXATION ACCOUNTANT

Central London — **Circa £16,000 + Benefits**

Our client is a major UK group having diverse interests both in the United Kingdom and overseas.

They are now seeking to recruit a Taxation Accountant who will become a member of a small highly-skilled team of tax specialists at their group head office. This is an ideal opportunity to join a major group which can offer excellent experience and prospects for career progression.

The successful candidate will be involved in compliance work mainly of UK companies, the preparation of taxation figures for management and the statutory accounts, and assistance with the group's tax planning. Some experience of micro computer applications would be useful.

Candidates for this appointment will be qualified accountants, aged in their mid to late 20s who have a sound working knowledge of corporate taxation gained in either public practice, commerce or industry.

Written applications enclosing career details should be submitted, in the strictest confidence, to Robert N Collier or Neil Gillespie at our London address quoting reference number 4690.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744
Brook House, 77 Fountain Street, Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

Young Accountants

Exceptional Career Opportunities

Imperial Chemical Industries PLC

North West — **£ excellent**

Our client is a major manufacturing division of ICI PLC.

Further development of the business has created the requirement for 2 young accountants of exceptional ability.

The initial roles will have a management accounting bias, but these are essentially long-term career appointments with opportunities for rapid advancement to executive-level positions throughout the company's international operations.

The successful applicants will be graduate accountants (ACA/ACMA) aged 23–28, who can demonstrate highly developed inter-personal skills, coupled with the intellect, drive and ambition required to succeed in a highly competitive environment.

A substantial five figure salary package will be negotiated and will not be an obstacle to the right candidates. Comprehensive relocation facilities are available where appropriate.

Interested applicants should contact **Alan Dickinson** quoting **ref. 6985** on **061 228 0396** at Michael Page Partnership, Faulkner House, Faulkner Street, Manchester M1 4DY.

Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

HEAD OF DEVELOPMENT ACCOUNTING — COSTING

Challenging opportunity with a go ahead high tech group . . .

London — **Circa £22,500 + benefits**

Our client is a successful organisation involved in the manufacture and supply of high technology products and services, specialising in the fields of advanced telecommunciations and computerised information systems.

They are now seeking to recruit a Senior Accountant to head up their costing development area for both products and services.

The successful candidate will be a qualified accountant who will have had several years previous experience of developing and running complex computerised costing systems. It is likely that candidates who have the relevant experience will be aged between 30-40 years. This position offers excellent prospects for future career development.

Written applications containing career details should be forwarded, in confidence, to Richard Norman, F.C.A. or Robert Collier, at our London address quoting reference number 4688

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744
Brook House, 77 Fountain Street, Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

CONTROLLER OF FINANCE

City of London — **to £20,000 + car + benefits**

Our client, a prestigious International investment banking and securities firm are keen to appoint an *ambitious qualified Accountant to assume financial management* responsibility within two of their successful UK based subsidiaries.

This newly created position offers an ideal opportunity to join a highly respected banking group, with excellent prospects for career development.

Candidates aged 27–35 years, will preferably have a sound working knowledge of banking or commodity trading. Personal qualities will include strong communicative skills, team spirit, the ability to work effectively under pressure and a desire to succeed within a demanding environment.

Written applications enclosing Curriculum Vitae should be forwarded, in confidence, to Robert N Collier or Neil Gillespie at our London address quoting reference number 4677.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744
Brook House, 77 Fountain Street, Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

Financial Consultant

For Arthur Young McClelland Moores & Co.

Up to £20,000

North East England

We employ 2400 staff throughout the United Kingdom providing a complete range of consultancy, tax and audit services to a broad spectrum of clients in industry, commerce and government. Our consultancy group in the Northern Region has developed rapidly and now consists of more than 60 consultants covering all management disciplines.

We are now making appointments in the Newcastle Area to strengthen further our *consultancy group, particularly in the area of* financial and management accounting.

We require fully qualified accountants with a minimum of 5 years practical experience in industry, commerce or the public sector. The background should include a period of formal management within a well organised company or group.

Age: 33+. Location: Newcastle.

Please write in complete confidence to Dennis R. M. Hardie.

**Arthur Young McClelland Moores & Co.,
Management Consultants,
Norham House,
12 New Bridge Street,
Newcastle Upon Tyne NE1 8AD.**

Arthur Young McClelland Moores & Co.
A MEMBER OF ARTHUR YOUNG INTERNATIONAL

CHIEF ACCOUNTANT

Old-established City of London Merchant Bank requires

This appointment is to the Bank's Senior Management. In charge of the whole of the Bank's accounting function, this Manager reports direct to the Managing Director.

The Bank is steadily expanding its existing business, which is widely diversified, and actively examining new types and fields of business. It has extensive computerisation and management information systems.

Applicants must be a Chartered Accountant of the English or Scottish Institutes, preferably with a university degree, and have extensive experience of Bank accounting. The successful applicant will probably be aged between 30 and 45. He/she will be innovative and will contribute widely to the Bank's management discussions and to its forward planning.

This appointment carries a salary up to £30,000 and the customary benefits.

Applications, which should state the name(s) of any bank(s) to which the application is not to be passed, should be addressed to:

**Mr Peter Thring
ERNST & WHINNEY
Becket House, 1 Lambeth Palace Road, London SE1 7EU**

Accountancy Appointments

Chief Accountant
Gloucester c£20,000 + car

Trident Life is one of the major Unit Linked Life Offices. Part of a very successful £4bn US corporation, the company has grown rapidly to £260m of funds under management and has ambitious plans for substantial future growth.

A high calibre Chief Accountant is now sought with the experience and ability to help inspire and control this expansion at a senior level.

Reporting to a main Board Director the successful applicant will take full responsibility for accounting, internal control procedures and taxation.

The prime objective is to provide reliable management information, allowing business decisions to be made quickly and with confidence. Maximising the use of cash resources and involvement in planning strategic growth will present further challenges.

Candidates must be qualified Accountants aged around 35, who can demonstrate a successful career in a progressive, profit conscious environment, involving sophisticated financial reporting.

The successful applicant will need to have a professional, enthusiastic and participative approach and above all, a commitment to achieving tangible results. Experience of insurance or a financial institution would be useful.

Please write with comprehensive personal and career details to: Mr. A. Austin, Group Personnel Manager, Trident Life Assurance Co. Limited, London Road, Gloucester GL1 3LE.

Trident Life

A member of the Gesnerale Group

CHIEF ACCOUNTANT

Promotion within this consumer group, market leaders in their field, has created a vacancy for a Chief Accountant. Reporting directly to the Financial Director, the job holder will assume overall responsibility for the entire group's accounting functions, and will control some 25 staff. Joining the senior management team, and translating all financial matters to the business side of the company this appointment fulfills a liaison role with non-financial management. Career prospects within the group are excellent, the role suiting a young, qualified accountant seeking a move towards general management.

N. SURREY. Ref: GR c.£17,000 + Car

TAX/CORPORATE PLANNING

An exceptional opportunity for an ambitious accountant to perform a progressive financial and tax role within an international, high-tech company. The successful candidate will join a small, professional team responsible for the statutory and fiscal accounts of operating subsidiaries throughout Europe. You will be directly involved in systems and tax reviews, international tax planning and monitoring developments affecting European operations. This highly visible position offers considerable exposure to senior management, rapid promotion prospects plus overseas travel. The importance of this appointment is reflected by an attractive salary package.

C. LONDON. Ref: JG Salary Neg.

ROBERT HALF
FINANCIAL RECRUITMENT SPECIALISTS
ROMAN HOUSE, WOOD STREET, LONDON, EC2Y 5BA. 01-638 5191

CHIEF ACCOUNTANT

This is an exceptional opportunity to join the highly professional executive team of Britain's premier port. The person appointed must be fully qualified to either Chartered or Certified level and be able to demonstrate ability and flair based on sound technical background.

Large company exposure with significant experience as the head of an accounting function with full staff control will be a necessary requirement.

Extensive experience of computer based accounting systems both in terms of their development and maintenance will also be required together with in-depth experience of financial and management accounting.

The successful candidate reporting to the Finance Director, will ideally be aged 30-40, have a proven success record and the ability to work within tight time scales.

For the right person we will offer an extremely attractive salary plus a company car and other first class benefits. Assistance with relocation costs will also be provided.

Please telephone for an application form which should be returned with your comprehensive c.v. to
Secretary to Chief of Personnel
European House, The Dock,
Felixstowe, Suffolk IP11 8TB.
Tel: Felixstowe (0394) 604500 or
Felixstowe (0394) 604647 (direct line)

Port of Felixstowe

Financial Controller
C£22,000 + Car Retailing

A mojor UK retoiler with well conceived strategies ond o young monogament team requires o high calibre finonce executive to join the team os Financiol Controller.

The prime requirement is far a manager with the skill ta develop further the monogement reporting techniques of o team af copable young subordinates, in oddition to controlling resources. To the top management team the Controller shauld bring business sense, commitment, initiative and practical creativity.

An occounting qualification ond personol experience of large scole retoiling systems using mainframes ond micros are essentiol.

The headquorters location is in the Home Counties, with relocation assistance available as required. Age guide is 30-35.

Please apply in confidence, quoting ref. L 130, to:

Brian H Mason
Mason & Nurse Associates
1 Lancaster Place, Strand
London WC2E 7EB
Tel: 01-240 7805

Mason & Nurse
Selection & Search

Personal Financial Planning
Growth Opportunities

The City **Up to £25,000 + Car**

Increased demand and market opportunities for the services provided by our Personal Financial Planning Group have created vacancies for additional staff et both consultant and assistant consultant levels.

Primarily we are seeking those who possess technical flair in this field, the personal qualities to develop the activity on a wider front and, above all, the desire to provide e comprehensive client service.

The Group's activities include personal tax, pensions, insurance, investments and financial planning advice and guidance. It is unlikely that candidates will have knowledge of all these areas but a breadth of expertise in the PFP field or alternatively e depth of technical competence in at least one area is essential.

Salaries and conditions are totally dependent upon experience but the career prospects are excellent for those who can demonstrate the skills to develop in this high growth field.

Please apply in writing giving concise career details to:
Miss Penny Alison, Director of Personnel,
186 City Road, London, EC1V 2NU.

ROBSON RHODES

FINANCIAL CONTROLLERS

Opportunities in a high-tech, world-wide operation with a fast expanding European Division.

Allen-Bradley is one of the world's leading manufacturers of industrial automation and process control equipment, providing solutions to control problems in every type of manufacturing and process environment. Our products are acknowledged to be at the very forefront of automation technology. Allen-Bradley is seeking to strengthen its management team by the recruitment of:

Financial Controller – Allen-Bradley Europa B.V. – Amsterdam

Allen-Bradley Europa B.V. is responsible, both directly and through eight national sales companies, for sales, marketing, distribution and technical support activities across the whole of Europe (except UK, Germany and Austria), the Middle East, North Africa and South Africa.

The Financial Controller, reporting to the Managing Director, but with a strong functional responsibility to the European Controller in the UK, will provide a full finance and accounting service to this Group.

Key responsibilities include consolidated reporting (to the European Headquarters in Henley, England), for Europe, Tax Direction and Planning, Data Processing and MIS (linking in to a mainframe in Henley), Foreign Currency Management, Forecasting, Budgeting and Financial Planning.

Strong candidates will be fully familiar with accounting practices and finance management in a multi-national context, be decisive and aware of the need for integrity and consistency in financial reporting, and capable of operating successfully within a heavily sales-oriented operation. Higher educational qualifications are highly desirable; professional accounting qualifications essential.

Financial Controller – Allen-Bradley South Africa – Johannesburg Area

Reporting to the General Manager in the Johannesburg area, but with a strong functional link to the Europa B.V. Controller in Amsterdam, the man or woman appointed will provide a total financial management and accounting service to this very new Allen-Bradley subsidiary company. The role provides the opportunity to assist in setting-up and consolidating the business, and helping it grow to meet demanding targets and projections.

The successful candidate will have good general accounting experience (preferably gained in a small subsidiary of a multi-national company), be used to working as part of a team, and enjoy a fast growth, pioneering role. Professional qualifications are essential.

Applications for both positions are invited from any candidates who believe they can meet the specifications, and who seek an exciting challenge in a very fast-moving industry. Complete fluency in English is essential: other European languages could be advantageous. The compensation package will include a first class salary, car or car allowance, and full relocation.

Please send your c.v. in confidence to the Company's Advisors:
Robert Wilson, Thompson Associates Limited
232 Portland Road, London SE25 4SL
Tel: 01-656 8323 Quoting Ref: AB 2018.

A-B QUALITY **T.A.L.**

GROUP FINANCE DIRECTOR
West Midlands *c. £20,000 p.a. + car + benefits*

Our client is a long-established, quoted Group with subsidiary companies in several sectors of the engineering industry. Having recently completed a major acquisition which has increased Group turnover to £15m, they now wish to appoint a Finance Director who will be a key member of the Group Board and make a significant contribution to business strategy during an important stage of the Group's development.

Candidates—minimum age 35—must be qualified accountants with several years wide-ranging financial management experience in a manufacturing environment, preferably at Board level. They will have the ability, energy and determination to take immediate responsibility for the Group's financial effectiveness and evidence of success in profit and cash generation improvement would be particularly valuable.

Remuneration will include a range of attractive benefits and relocation assistance if necessary.

Please send full career details quoting ref: 143/G to Mr. J. D. Gilbertson.

BBS
Bamford Business Services Limited
Bamford, Sheffield S30 2AU

INTERNAL AUDIT WITH THOMSON

A qualified accountant is required for the internal audit department of Thomson Information Services Limited, a divisioo of the Internatiooal Thomson Organisation. Based in WC2 the job involves frequent visits to the operating companies which are based both in the U.K. and overseas. Good holidays and terms of employment. Salary around £12,500.

Please apply with detailed curriculum vitae to Noel Clery
Thomson Information Services Limited, 83, Lincolns Inn Fields, London WC2A 3JX

GROUP FINANCIAL DIRECTOR (DESIGNATE)
MANCHESTER c. £20,000

A rapidly expanding and successful private group of companies (turnover £9m), with activities in property development, construction, storefitting and leisure, wish to strengthen their senior management team with the above appointment.

The successful candidate will be expected to control the total finance function of the group including the procurement and investment of funds.

Applicants, suitably qualified chartered accountants aged 35-45, with experience, should send C.V. to:

Managing Director, MERIDIAN HOLDINGS LTD.,
Brook House, 77 Fountain St., Manchester, M2 2EE.

FINANCIAL CONTROLLER
Attractive salary plus car

Key Terrain is an expanding and dynamic subsidiary of Reed International. The company manufacturers a full range of plastics plumbing and drainage products, and is responsible for developing several subsidairies, all of which are growing at a very healthy rate.

Based at Aylesford, Kent you will be responsible to the Financial Director for managing Key Terrain's accounting function..

You will probably be over 30 with experience of management accounting in a manufacturing environment, including responsibility for business planning, budgetary control systems and the production of monthly and annual accounts to a rigorous timetable and high standards.

In addition you will be experienced in the development of computerised accounting systems. A self starter with people management expertise you will want to be involved in the business and be capable of more responsibility in time.

The company offers the successful man or woman an attractive salary plus car, supporting benefits and relocation assistance where appropriate as well as good career development prospects.

Please write with full personal and career details to the Director of Personnel, Key Terrain Limited, Aylesford, Maidstone, Kent ME20 7PJ.

TERRAIN
A Reed International Company

Finance Executive
City **£25-30,000 package**

Our client is a major international bank with a substantial domestic and overseas network. Actively involved in the fields of international banking and capital market dealing, they are expanding their UK operation and currently require a finance executive to fulfil a senior role.

Based at the London Head Office, this unique appointment will incorporate a wide range of financial and administrative responsibilities in relation to company secretarial duties, UK personnel matters, management accounting and the appraisal and development of new accounting systems.

Candidates aged 30–35 will be Chartered Accountants with an outgoing personality and the potential to maintain a high standard of performance in a challenging international environment. Previous exposure to a banking background is not essential.

A highly attractive remuneration package together with a company car and substantial bonus will be offered to the successful applicant.

Candidates should write to Andrew Sales, FCCA, Executive Division, enclosing a comprehensive curriculum vitae, quoting reference 147, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.

Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

Financial Director
(GENERAL BUSINESS ACUMEN)
to £23,000 + car
LONDON W.1.

Part of a distinguished and privately owned British group, this company is long established, highly profitable, and has a first class reputation within its industry for producing quality products. The company is expanding by acquisition into a new area which will complemeot its existing business.

The Board now seeks a qualified accountant (aged 38–45) with broad commercial experience and a proven record io general management, to join its senior management team.

Whilst the primary responsibility of the post is to head the finance function, the appointee will equally be expected to make a direct impact on the overall performance and development of the company and the job will entail regular visits from the H.O. in London to the main manufacturing unit in Kent. More specifically, an immediate task will be to review existing in-house computer systems and standardise reporting procedures.

There will be every opportunity to conceive & implement new ideas and as a key figure within the organisation, the Financial Director will be eligible for the company's profit sharing scheme.

NKB Associates Limited 159A Gloucester Road, London SW7 4TH
01-370 2012/3
All enquiries will be treated in the strictest confidence.

Accountancy Appointments

Audit Senior (Internal Audit)

City based **Salary negotiable**

This is an exceptional opportunity for an ambitious young accountant to join our Internal Audit Team. He/she will be one of a small team of Audit Seniors, operating with three assistants and reporting to the Chief Internal Auditor.

In addition to carrying out a variety of audits, duties will include the updating of audit programmes and procedures, initially in the accounting field, and to monitor the economy, efficiency and effectiveness of the systems. The emphasis throughout the organisation is operational audit.

Although based in London the successful applicant will be initially expected to spend a period of time at Newbury, after which overseas travel may well become a feature of the appointment. Internal promotion could be expected within 2/3 years.

Applicants should be Qualified Accountants with 1/2 years' experience in a bank or in the securities industry. Previous Internal Audit experience is not mandatory. Finalists with strong relevant experience will also be considered.

An attractive salary will be negotiable and the benefits package will include a subsidised mortgage, BUPA, non-contributory pension and free life assurance.

Suitably qualified applicants should write enclosing a full curriculum vitae to:–

Mr A. J. Hatton-Gore, Personnel Officer,
Kleinwort, Benson Limited, 20 Fenchurch Street, London EC3P 3DB.

Kleinwort Benson *The International Merchant Bank*

SENIOR CORPORATE EXECUTIVE

Jersey

Our clients are a privately-controlled international group with operations in the U.K. and overseas, and with a corporate Secretariat in Jersey. They seek to strengthen the corporate management by recruiting an able executive experienced both in law and accounting.

The principal tasks will include the management of the St. Helier office, the drafting of legal documents, the provision of general legal advice and tha preparation of consolidated accounts for the group.

Candidates, preferably aged 30 to 45, should hold a recognised qualification in Law and Accounting, should have a creative and positive attitude to their work and must be prepared to undertake frequent travel in Europe and occasionally elsewhere. They should ideally have experience of U.S. Corporate, tax and banking practice. The location of the Secretariat will be reviewed (in conjunction with the appointee) during 1987. The remuneration package, including salary, the provision of limited accommodation in Jersey and appropriate benefits will be negotiated.

Applicants should write with full details of previous experience and salary history, quoting reference L 2089 to John Hills at:

Annan Impey Morrish
Management Consultants
40/43 Chancery Lane, London WC2A 1JJ

A.I.M.

(Recruitment Consultants)

Financial Controllers

Cambridge **£20,000 + Car**

As a result of recent expansion our client, an engineering group (T/O £28m), seeks to recruit two qualified accountants (26-45). Experience acquired within similar or manufacturing organisations preferred. An ACA, must have worked within the top 20. Full relocation expenses will be considered. Ref: KD/4503.

Production Accountants

Nr. Weybridge/Farnborough **£19,000**

Our client, successful U.S. electronics group, requires two qualified accountants (24-38) who have acqnired experience within similar companies or engineering organisations. Applicants straight from the profession will be considered. Benefits include full relocation. Ref: BJ/4008.

Financial Controller

Nr. Oxted **c. £18,000 + Car**

A leading UK engineering organisation seeks to recruit a qualified accountant (25-45). Experience acquired within engineering/manufacturing organisations would be ideal. Basic tasks include full control of the finance function and systems development on computers. Ref: DH/5589.

RING US NOW FOR FURTHER DETAILS

19/21 Wilson Street, London EC2M 2TA. Telephone: 01-628 2714 **Deboo Executive**

Oil Company Accountants

Occidental International Oil is offering opportunities for young and ambitious qualified or near qualified accountants to join our London office.

Financial Accountant

An ideal first post qualification appointment for a newly qualified ACA, ACCA or equivalent. The successful candidate should be career orientated and able to demonstrate initiative and independence and possess a sound knowledge of statutory and general accounting principles.

Assistant Budget and Planning Accountant

Responsibilities will include presentation of operational and financial data for monthly management reports, annual and strategic plans for US and UK management. The position offers a great opportunity for innovation and independence within a fast moving department.

The successful candidate is likely to be between 25 and 35 years, ACA, ACMA or an equivalent qualification (or finalist) and preferably with budget, planning and forecasting experience gained within the UK oil industry.

We are offering a highly competitive salary, London Weighting and luncheon allowance and an interest free season ticket loan together with the usual benefits expected of an international company. Please write in confidence giving brief career and personal details to:

Miss J Cornelius, Occidental International Oil Inc, 16 Palace Street, London, SW1E 5BQ.

OXY

FINANCE DIRECTOR DESIGNATE

CONSUMER ELECTRONICS MANUFACTURING GROUP
CAMBRIDGESHIRE

Initially to £20,000 p.a.
Age: Late 20's/Early 30's

Outstanding opportunity for graduate, qualified accountant, experienced in computer applications, to complement young, dynamic management team in rapidly expanding manufacturing group.

Factory based. Initial responsibility to implement integrated computer accounting, production and management information systems. Thereafter, to oversee entire financial control function. If successful, the applicant would become deputy MD and in due course MD of a major group company.

Requirements: tireless energy and drive, dedication to hard work, top-grade qualifications, 5 years' computer experience.

Please reply to Box A.8705 Financial Times 10 Cannon Street, London EC4P 4BY

PROSPECTIVE TAX PARTNER

We are a medium-sized firm of Holborn Chartered Accountants and are looking for a young tax manager to deal with personal and corporate work.

Candidates should ideally have trained in a small to medium-sized practice and have at least three years post-qualification tax experience in a medium to large practice.

A generous remuneration package with early partnership prospects is offered and applicants should forward a full C.V. to: *Box A8701, Financial Times 10 Cannon Street, London EC4P 4BY*

QUALIFIED CHIEF ACCOUNTANT

£12,000 p.a.
plus company car
WALLIS OFFICE FURNITURE LTD.
Phone: 01-600 9991
Attn: Mr. P. Savory

Accounting in a new financial operation

London c.£12,740 (under review)

National Networks is a multi-million pound turnover division of British Telecom. It has been created to handle the business of the Trunk Services Telephone Network and other Specialised Services such as Telex and Private Circuits. It operates through nine districts situated throughout the country, each of which reports to London HQ for accounting purposes. To deal with the accounting requirements at HQ a Central Finance Department has been set up and as a result the following new posts are being created:

Assistant Administrative Accountant

To assist the Administrative Accountant with the consolidation of operational units' management accounts. In addition the successful candidate will oversee the running of our financial accounts unit with functions including: transfer charging, general and sales ledgers, general HQ financial accounting duties.

Budget Accountant

To act as the central liaison point for National Networks' financial plans, co-ordinating the divisional operating inputs and preparing information for senior management. The person appointed will also contribute to the development and introduction of new financial planning and budgetary systems involving mainframe and micro-computers.

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British TELECOM

National Networks

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MANAGEMENT : Marketing

EDITED BY CHRISTOPHER LORENZ

The soya bean crop on the right, treated with ICI's Fusilade, remains free of grass weeds that rapidly overtake untreated areas on the left

ICI bites the boll weevil

William Hall explains how the UK chemicals group is achieving success in the U.S.

"IT IS a good market this year. Lots of insects and bugs and we are shooting for 35 per cent of it," says Jim Hudson, who is leading ICI's attack on the cotton boll weevil, saltmarsh caterpillar, lygus bug and the dozens of other insects which are eating away at America's cotton crop this month.

ICI, Britain's biggest chemicals group, launched its latest insecticide, known as Cymbush, into the U.S. cotton market, less than two months ago. It is already the market leader and the company says that it is 200 per cent ahead of its sales budget. Tha overnight success of Cymbush highlights the rich pickings which can be had in the U.S. agrochemicals business if a company strikes lucky. But it also underlines the speed with which existing products can become obsolete.

U.S. farmers spend upwards of $4bn a year on plant protection chemicals. Nevertheless, American weeds, insects and assorted pests, destroy an estimated $20bn, or close to a third, of all U.S. crops each year, and some three dozen companies led by the likes of Monsanto, Eli Lilley, and Ciba Geigy are locked in battle for the dominant share of the U.S. plant protection market.

While the U.S. agrochemicals market is the single biggest in the world, accounting for close to a third of the total worldwide agrochemical sales, it is also one of the most mature, with a long-term growth rate of 1 to 2 per cent per annum. In addition it is becoming an increasingly risky market to penetrate.

Dr Richard Herrett, the research chief at ICI's U.S. agrochemicals operation, says that the survival of a company in this market is very dependent on the ability to generate new agrochemicals and the chances of doing this are getting slimmer as each year passes. He estimates that in the 1950s a company had to screen an average of 1,800 compounds to find e commercial success and this would take just under five years and cost $1.2bn on everage. The latest figures show that 25,000 compounds now bave to be screened to produce a commercially successful product. In edition, the lead time has lengthened to between eight and 12 years and can cost enywhere between $22m and $40m to get to market.

If a company can find the right compound, it can transform its profitability. Monsanto, tha industry leader, has two herbicides in its stable, Lasso and Roundup, which are generally reckoned to heve produced $1bn of its $1.3bn agrochemical sales last year and virtually all of its profits. Eli Lilly's Treflan dominates the soyabean herbicide market—the single biggest market in the U.S. for agrochemicals.

ICI, although one of the world's largest agrochemical companies, is e newcomer to the U.S. market, but hopes that with a combination of good products and skilful marketing, it can catapult itself into the top five companies in the U.S. before the end of the decade. Its record to date is fairly impressive.

From a standing start in 1976, it is now selling $200m a year of agrochemicals in the U.S. and ranks 15th in size in the domestic U.S. industry. Over the last five years it claims to heve been the fastest growing company in the market and plans to hold on to the title over the next five years.

Although ICI's task of breaking into the U.S. market has been eased by the technical strengths of its laboratories at Jealott's Hill in the UK and Goldsboro in North Carolina—which are providing the company with two new compounds a year to market—the company's success has also reflected a marketing policy which differs from that of its U.S. rivals.

The company decided at an early stage that it could not go out and match the sheer numbers of field sales staff of rivals like Monsanto. Instead it has adopted e much more selective approach, recruiting distributors around the U.S. and working out an arrangement that commands their loyalty.

ICI argues that if given adequate incentive, distributors can push a product to market more efficiently than a basic manufacturer can pull it through. Whereas Monsanto might have 300 distributors, ICI operates with around 50.

Another wrinkle to its U.S. marketing strategy is its reliance on outside consultants to sell its products. Tha consultants, many of whom bave doctorates, occupy a fast-growing role in U.S. agricultural life, advising farmers when to spray their crops for most effect.

The independent consultants, who are paid by the farmers for their advice, played e key role in the successful launch of ICI's cotton pesticide, Cymbush. ICI made a point of working closely with the independent consultants for several years while it developed and tested Cymbush and stressed in its advertising that the joint effort hed helped make Cymbush "the most thoroughly researched and tested cotton insecticide ever developed." Last year ICI began issuing Cymbush on a selected basis to certain key farmers, known as "bell cows," because they played a key role in spreading the word around. The new product which can increase crop yields by over 7 per cent in some cases.

ICI's efforts to work with its distributors rather than dictate how the product should be sold is also reflected in the emergence of its annual forums where all its distributors hava the opportunity to provide their personal input into the development of marketing plans for ICI's agrochemical products.

ICI's main weakness in the past has been its heavy dependence on insecticides products which only account for a fifth of the total U.S. market. It has been under-represented in the herbicide field and it is this area which is undergoing the greatest development.

Last year the group introduced Fusilade, a grass herbicide, and in 1986 it hopes to be marketing Reflex, which many people believe could be as important for ICI America, as Roundup and Lasso are for Monsanto. The edvantage of Reflex is that it is much more selective in its effect.

Further down the line, ICI is working on a group of products known as plant growth regulators (PPG) where it believes it bas a market lead and which it sees playing a key role in its U.S. expansion. U.S. utility companies, for example, spend $600m a year pruning trees underneath power cables so that they do not cause problems. By spraying the trees with Clipper PGR, ICI says that the growth rate of the tree can be curtailed thus reducing the need for pruning.

The same philosophy can be extended to orchard trees which are in need of regular pruning or household lawns which have to be mown regularly. With luck, ICI executives hope that their stable of new products, more than any rival can boast, will finally put the U.S. company into the big league.

Advertising

Flying high with a captive audience

Feona McEwan reports on airline magazines

HIGH LIFE, the in-flight magazine of British Airways, tells with glee the tale of the Arab gentleman who walked into an estate agent's office clutching an issue, pointed to an advertisement and said "I will take that." Asked if he wished to view the property, he shook his head and slapped a fistful of notes on the table to clinch the deal.

Not all advertising in the sky is so obviously effective, but these days in-flight magazines are being more seriously considered than ever by airlines, publishers and—of more importance — advertisers as a useful medium for the international message.

Once they were simply shopping lists, duty free directories stuffed in seatbacks between the sick bag and the emergency procedure chart. Editorial content followed, advertising followed that and in the late 1960s the in-flight magazine had well and truly taken off.

Now no self-respecting airline, international or domestic, with a public profile to groom, and an eye for a promotional chance, is without its giveaway magazine, strategically placed in froot of every passenger who takes a seat.

Air France's Atlas, Cathay Pacific's Discovery, Delta's Sky, Sabena's Sphere, KLM's Holland Hopper and British Caledonian's Let's Go have bloomed within the last few years into fit, often fat, seemingly healthy publications crammed with international advertising. A cursory glance at some of the latest issues reveals a near 50:50 balance of advertising to editorial. This is as true of the glossy Ulisse 2000 from Alitalia as of the workmanlike newsy Sky from Delta.

In-flight magazines have the natural asset that every traveller is, of course, a captive audience and figures show that the vast majority do bother to take a glance. The main target, though, for advertisers is the business community, which is the mainstay of air travel. This adds up to some appealing circulation figures. BA, for instance, reckons to carry some 1m passengers a month, B Cal 2.4m a year and Air France 250,000 a month.

Alexandra Gondard, a magazine representatives who handles a clutch of publications in the UK from El Al to Alitalia, Air France and KLM, reports that many are getting quite difficult to get into. "Most are fully booked well in advance," she says. Like many in-flight magazine publishers, High Life is coy when it comes to figures, talking of "a good year" and "a year by year increase in terms of ad revenue." However, its 1983 revenue figures, according to the media monitoring Rome Report, is $3.5m. Air France's Atlas accrued $4.4m in the same year.

Though not short on advertising, there is a call from some quarters for a joint effort to be made among in-flight magazines to offer advertisers easier access to any combination of titles—similar to the UK's Regional Newspaper Advertising Bureau or the Radio Marketing Bureau which handles the UK commercial stations.

At present advertisers frequently have to approach publications individually — thus, for instance, a Belgian advertiser wanting to use Air France's Atlas magazine and Lufthansa's Bordbuch could find himself having to approach each directly. The Americans, who have greater experience, have grouped themselves in such a way to allow easier accessibility for edvertisers. For instance, Air Group One is the body for Delta, NW Orient, Braniff, TWA, and Frontier which, through e number of agencies throughout Europe, encourages blanket buying.

However, there are signs of a European initiative with the setting-up—in name only as yet—of the European In-Flight Association, which has e potential 30 or so members. Though embryonic, with members in disagreement on funding and priorities, the association aims to facilitate selling as a group and to undertake the kind of objective research on readership used by the Press and other media. Then, said one member, "we can rival Newsweek, The Economist, Time, and other business publications."

As the sky magazines have stretched their wings editorially, turning from barely disguised airline promotional vehicles to more rounded "good reads" (more entertainment, less of the sales talk), so the reader appeal has grown and advertisers have been enticed. The average readership figure bandied about is from 60 to 75 per cent of all travellers.

Now rubbing shoulders with the international regulars, like tha universally-appealing Marlboro and Courvoisier, you will find the more sober heavyweights (banks and other financial institutions, business equipment, and even industry). The latest Let's Go, from B.Cal, features Hoare Govett (Jersey) mixing with Garrard, the crown jewellers, Phillips Petroleum, and Western Riding Centre in Horsham, near Gatwick.

"We're finding more and more that advertisers are coming from other areas," says Robert Newey, advertisement director of Let's Go . . . "like consumer durables, hi fi, cameras, cars." British Midland, currently switching publisher for its Voyager magazine, is steering its editorial and edvertising towards the businessman, rather than the tourist with his scent-and-suntan bias, in line with its move eway from holiday to mainline trunk routes.

High Life has been actively broadening its advertising base and has captured some banks (Grindlays, Bank of Credit and Commerce, Kuwait) and industry (British Telecom, Daf trucks).

Few among the European offerings have the scope of the sleek fat Alitalia Ulisse 2000. This bilingual monthly, arguably the glossiest European sky magazine, is a reflection of the classy Italian paid-for publications, with its ads for every thing from Honeywell computers to Italian pasta, textiles to washing machines, Ferraris to Armani fashions.

Readership information is hard to come by with such e transient traffic though there are some telling trends around. B.Cal, for instance, tells you that 84 per cent of all passengers read Let's Go for an everage of 19½ minutes; 63 per cent of all passengers are AB business-people; most don't take the magazine away with them. "Its magazine is very important to the airline," says Newey. "It's another part of the in-flight service which reflects the attitude of the airline, a measure of how the airline views itself."

High Life reckons it reaches some 10 per cent of UK businessmen and "some 20 per cent of the upper echelons of the worldwide business community." Air France reckons it gets to 17 per cent of all French senior executives, some 315,000 people, according to research done in 1982.

TECHNOLOGY

EDITED BY ALAN CANE

MOBILE COMMUNICATIONS FOR THE THIRD WORLD

Secrets of the Swaziland rover

BY ELAINE WILLIAMS

A LANDROVER crammed with computer and communications equipment has been travelling around Swaziland in Southern Africa for the past eight months to study ways in which these technologies can help the poorer nations of the world.

Headed by CAP, the computer and communications company, a group of ebout 10 organisations has developed an odvanced mobile communications unit which can fit into the Landrover.

Members of the group were predominantly British companies. They contributed mainly to the project by supplying equipment and technical expertise. For example, Gresham Lion supplied slow scan television equipment, MSPL provided some software, Information Entry contributed the handheld data collection terminals.

The group has demonstrated that the vehicle's electronics can give third world almost unlimited access to the vast collection of computer databanks held in the more developed countries. In tests, the Swaziland system has linked into medical and agricultural databases in Britain and the U.S. to give information about crops and human diseases relevant to the African state.

Inside the vehicle are several types of communicotions devices such as facsimile, telephone, telex, and data communications. VHF radio or satellites carry information to and from the vehicle. A personal computer allows data processing and controls communications. Slow scan television is also available for the transmission of images by satellite.

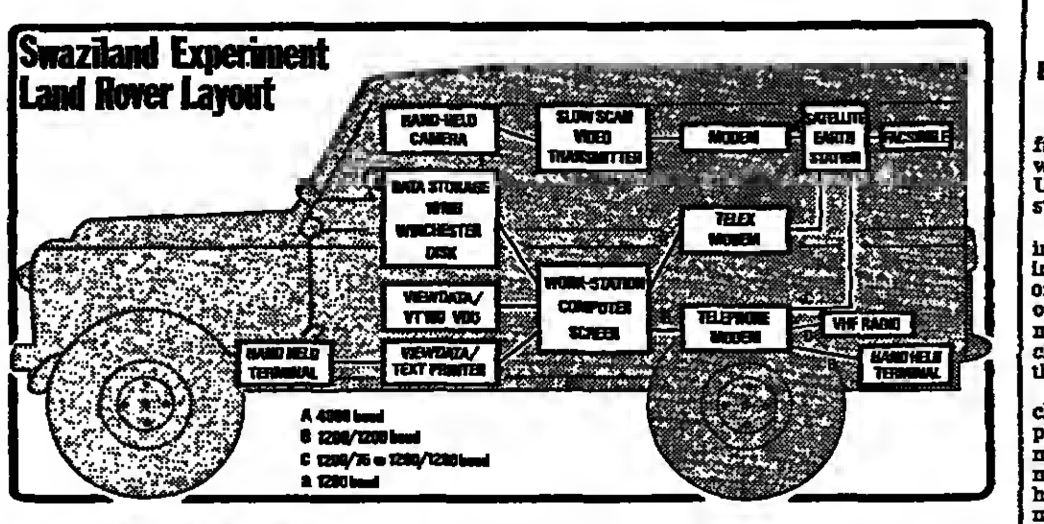
Inmarsat, the international maritime communications company which operates the world-wide sea satellite network is providing the spece communications. This organisation is interested in the Swaziland project because it demonstrates the potential of satellite communications in disaster relief.

The mobile unit has potential in both the third world and developed countries for a host of different applications. For example, CAP engineers heve demonstrated how the Landrover can be used for collecting medical statistics at village clinics around Swaziland. This bas been achieved using small hand held terminals to enter details of drug treatments, patient throughput, disease classification. Once completed, the data is transmitted over VHF radio to the central health ministry in Mbabane, Swaziland's capital.

Using the Landrover, Swaziland—which has a population of 750,000 in a mountainous area the size of Wales—showed bow agricultural statistics could be gathered, again using the hand held terminal linked to a central computer by VHF radio. Swaziland bas little information about the size of its crop production, mainly sugar, from the many smallholdings in the country, or the number of animals each farm supports.

Slow scan television has been used to transmit images of a power station now under construction outside Mbabne, the capital of Swaziland. International contractors will be abla to monitor the progress of buildings and to confer with remote sites more quickly if any problems occur.

Another use of the slow scan television link is to provide medical contact for experts in London, at the School of Tropical Medicine say, and doctors in Swaziland. This may be a valuable help to stretched medical resources in poor nations as the television system can provide clear images of a patient.



Above, diagrammatic representation of the CAP Landrover showing how all the communications equipment was shoeborned inside. Right, the prototype plastered with the decals of the companies supporting the project on location in Swaziland.

CAP spent three years and £500,000 developing the mobile concept. A further £448,000 was added for the Swaziland project of which one quarter came from the Department of Trade and Industry.

CAP, having shown that tha system can provide access to world data hases, collect data cheaply and effectively and allow data processing, is to spend the rest of the year assessing the market potential of the unit, before launching any commercial products.

It has, however, identified applications for developed countries in land mapping, construction and forestry.

Further research is already being carried out into the possibility of developing an airlift container version of the communications unit for use in the most serious emergencies—Swaziland was recently ravaged by a freak cyclone which swept the country, for example.

Mr Kenneth Baker, UK Minister for Information Technology, said yesterday as the vehicle was demonstrated simultaneously in Mbabane, Swaziland, and London, England: "I am very pleased that my deartment has been able to support, as part of e World Communications Year project, a demonstration of CAP's mobile communications unit."

"The potential benefits from the application of this communications, especially for developing countries are likely to be significant."

ENGINEERING MATERIALS

Polymer fit for 'hard gnashers'

BY PETER MARSH

Firemen and people with false teeth may be among those wbo benefit from work at Leeds University on a new form of strong polymer.

Celanese, an American leader in tha synthetic materials industry, has produced samples of the polyethylene fibre based on the Leeds research. The material is made from ordinary chips of polyethylene and is therefore relatively cheap.

In ordinary polyethylene, the chains of polymer are in e complicated, criss-cross arrangement, rather like strands of metal wiring that have become hopelessly jumbled up. This makes the material, called isotropic polyethylene, relatively weak.

With processes devised at Leeds University, the isotropic polyethylcoe is converted into an "oriented" form in which tha chains are straightened out. Essentially, the Leeds workers pull the polymer in a procedure similar to the drawing out of a strand of glass from e thick tube of the molten material.

Tha processes give stiff fibres with a strength approaching that of carbon fibre yet which are relatively cheap. Workers can weave the material into cloth for specific applications.

In research that started more than a decade ago, led by Professor Ian Ward of the university's physics department, the Leeds team has devised a set of techniques to unravel the chains of isotropic polyethylene without breaking the material.

The techniques specify, for instance, bow the molecular weight of the polyethylene used as the starting polymer will affect the properties of the oriented form of the substance.

The university researchers hava also worked out tha conditions under which the polyethyleoe is drawn out, for exampla the temperature and the rate of pulling.

In collaboration with Celanese, the Leeds workars are assessing the material in an application in which tha fabric forms a mesh that strengthens protective helmets, for example for firemen or soldiers.

In a second area of work, scientists at the London Hospital Medical College, a branch of the University of London, have inserted a similar mesh of the polymer into dental plates. The fabric forms a strong framework around which the plate is built up from polymethyl methacrylate (Perspex). Professor Mike Braden of the college's materials science department has inserted the substance into the dental plates of about a dozen patients.

Results so far, he says, ore "very promising." The additional material should provide tougher sets of dentures for those people, known in the dental trade as "hard gnashers," who fracture the plates which contain their false teeth by biting too bard on their food.

A third epplication for the material is in aircraft parts. The Royal Aircraft Establishment et Farnborough is experimenting with resins reinforced by the material. The substance could form a protective coating on the outer edges of components such as wings that are made from conventional synthetic materials, carbon fibre for instance.

In this application, engineers bope to take advantage of the polyethylene's ability to absorb energy. The material, though strong, is ralatively soft. It could protect, for example from knocks during maintenance operations, brittle components that are likely to crack.

The Leeds group is also assessing the use of oriented polyethylene in car bumpers.

In further work, the university team is examining how oriented polymers could be drawn not into thin fibres but into relatively thick tubes. This epplication would use dies to draw out the material from e solid block of the polymer. Researchers are working here not just with oriented forms of polyethylene but with other polymers such as polypropylene and polyester.

In pipes and similar components, another useful property of the oriented polymers comes into its own. The materials' pore structure is such that only small volumes of gases such as oxygen can diffuse through them.

As a result, pipes made from the material could feature in applications where engineers prefer to keep gases from diffusing in or out of liquids, for example in some sections or the chemical industry.

Manufacture

'Bible' for flexible systems

NOW, the automated manufacturers' "Bible." IFS (Publications) of Bedford has published "Programmable Assembly," edited by Professor W. B. Heginbotham, who was until recently Director General of PERA (Production Engineering Research Association).

Programmable, or flexible assembly makes use of a group of robots, conveyors, guided vehicles, replaceable tooling and sensors, all controlled by a computer program so that a variety of products can be assembled in random order.

This hardback 350 page volume is basically a collection of papers given by experts at the major conferences on the subject during 1983 and the first half of 1984. Many of the authors have been responsible for the installation of flexible assembly systems in industry.

The value of the volume is that it brings together some of the most significant work on the subject in one volume. Apart from systems and applications, the book covers sensors, parts handling/feeding, economics and social aspects. There is also an important chapter on the design of products for assembly, with authers from IBM and DEC.

The book, which is the second in a series covering international trends in manufacturing technology, costs £28 in the UK and $56 elsewhere. The first was on robot vision and there are to be others covering flexible manufacturing systems, lasers in manufacturing and robotic welding. More from IFS on 0234 853605.

Energy

Fuel oil from sludge

TURNING SEWAGE sludge into fuel oil is a project being carried out by Battelle's Pacific Northwest Laboratories under sponsorship from the U.S. Environmental Protection Agency.

Battelle's researchers are looking at ways to alter existing sewage treatment processes so that sludge is converted into grade 2 fuel oil.

Coatings

Paint to cover rust surfaces

International Paints has developed an epoxy resin coating which can be applied to rusty, hand-prepared surfaces, giving all the advantages which were, claims the company, previously available only with blast-cleaned steel.

The paint is called Interplus 770 and is said to combine the weather and chemical-resisting attributes of primers and top coats in a single coating.

The paint has "high-build" properties, giving increased protection with fewer coats of paint and allowing the work to be completed more quickly.

All these advantages produce a reduction in long-term costs says International Paints. Over a 15 to 20 year cycle this "can amount to as much as 40 per cent to 50 per cent of the total painting maintenance bill."

Computing

Diagnosis by 'phone

A DIAGNOSTIC centre has been opened in Newbury, Berkshire, by Norskdata, the Norwegian mini-computer maker, that allows computer faults to be dealt with remotely over a telephone line.

The company has developed this "Telefix" centre to reduce the waiting time between fault detection and correction. When installed on a customer site, the system can remotely diagnose both software and hardware problems in 95 per cent of cases, says Norskdata.

Some 30 per cent of these can be repaired without the need for a service technician to visit the site. More on 0635 35544.

THE ARTS

Boucher/Manchester City Gallery

David Piper

Pastoral pleasures

In one of the introductions to the very pretty little exhibition of François Boucher at Manchester City Gallery (till September 1), Denys Sutton quotes Sir Joshua Reynolds' comments on "the modern affectation of grace" to be found in the Frenchman's painting. Insular English taste has probably always had primmish reservations about certain aspects of the French rococo, a relationship that can be studied in depth in the enticements of the splendid Rococo exhibition at the Victoria and Albert Museum, reviewed in these columns by Colin Amery, which you can still catch to September 30.

Among the exhibits there is the enamel plaque of the Antigallican Society, honest Brits setting their face against the "insidious arts of the French nation," there too most eloquently are Hogarth's *Before* and *After* from the Fitzwilliam Museum, in which the Englishman uses the elegances of the French rococo style and its convention of pastoral idyll to send up both hilariously and not at all primly those elegances and conventions.

Boucher's paintings found no great favour among English collectors (though engravings after them seem to have done) until the 19th century, and then with the millionaire cosmopolitans—Lord Hertford, or the Rothschilds. So it is to the Wallace Collection that one still goes to see them in Britain.

Sweden however bad a much earlier cosmopolitan franco-phile collector of Boucher, that famous statesman and art-lover, Count Tessin, who became patron and friend of the painter when he went to Paris as ambassador extraordinary in 1739. A fellow-admirer was the Crown Princess of Sweden (sister of Frederick II of Prussia). The paintings and drawings bought for these two now form the remarkable concentration of Boucher in the National museum in Stockholm, and it is they which, in a model excercise of such enterprises, have been lent to Manchester while a choice representation of Manchester's Turners has gone to Stockholm.

The director of the Victoria and Albert Museum has pronounced the Rococo to be the last of such major, enormously expensive, loan spectaculars. Relatively modest shows, easily packaged and economically concise in scope, like this one at Manchester, will become more and more the answer for provincial museums. Rich though their permanent collections may be—and in Manchester's case, indeed are—museums need specific unrepeatable occasions to stimulate their local populations' appetite also for their daily fare, to attract people in.

In France, Boucher's name is associate most of all with Madame de Pompadour, and he was the supreme exponent of the sophisticated taste of the court of Louis XV. The paintings, in that characteristic high key of succulent colour that must owe something to the example of Tiepolo, deal with a fantasy world in which the female nude is often a main staple, or pastorals in which the rustics are most prettily clad, and more often to be found in the erotic dalliance than in toil.

Diderot's admiration for Boucher was a bit ambivalent — "un vice si agréable". Boucher's version of the Leda theme is characteristic. Not a hint of course of the somewhat sinister overtones that are sensible in Leonardo's treatment (still less of those in Michelangelo's); instead, the two women welcoming the swan with facial expressions of mild interest but rather more expressive bodily ones. Their promise seems more to the onlooker than to the swan. The pose of one of them, with a presentation of plump posteriors, is more or less that in Boucher's most famous erotic image, that of Mlle Murphy prone on the chaise longue.

The paintings are indeed all very agreeable, but their very efficiency perhaps — in composition, in drawing and modelling — prevents them from touching any deep chord. Boucher's rendering of flesh, always perfect, can seem more plastic than human, sanitised. It seems to work best at a remove away from illusionistic rendering, as in the drawing and engravings, all admirably represented here. His world is deliberately an artificial concoction, a contrivance, and I am not at all sure that it is not most attractive when distanced still further than it is in the drawings — in the transpositions of Boucher's images into the melting pallor of Sèvres biscuit, soft paste procelain.

The scope of the exhibition at Manchester has been very dexterously enlarged to embrace suggestions of Boucher's whole range. He was impresario no less than workman painter-designer of elaborate decorative schemes for the royal palaces and for the stage. As director of the Gobelins factory, he was involved actively with the problem of tapestry. So, by a little judicious borrowing, at Manchester they have indicated his extraordinary versatility. It works very well—a case of photographs of now vanished English interiors once hung with Boucher tapestries; a single but superbly expressive chair upholstered with Gobelins from the V & A, and a nicely selected range of porcelain.

The main exhibition is in the two small square corner galleries that flank the large room containing the Museum's formidable Pre-Raphaelites; the rococo porcelain and faience cases overflow amid the Holman Hunt's and Rossetis in the latter space, offering agreeable contrasts. It is quite a shock to sight, through the case containing the palely delicate Sèvres biscuit version of Boucher's *Grape Eaters*, the barsher polychromatic idyll of Holman Hunt's *Hireling Shepherd* almost raucous on the wall beyond.

When I was in the Museum, the Sienese crucifixion was to be seen, downstairs presiding over a glittering display of English silver and Dutch cabinet paintings, with a collecting box alongside. Its future seems balanced nicely between the claims of Manchester and Getty, but I hope that by the time this appears this beautiful picture will have established its permanent home in Manchester, following the Gallery director's dauntless pursuit of £1.8m to that end.

"Nymphs and Cupids bathing" by François Boucher

Abel's Sister/Theatre Upstairs

Martin Hoyle

Suffering plus intelligence equals egocentricity. The strength of this Royal Court Young People's production lies in avoiding easy pity for its disabled protagonist. Instead Sandra, dropping anecdote, reminiscence and wry, morale-boosting self-analysis into every conversational space, exemplifies the relentless self-absorption naturally resulting from being treated as "different" by family and society from birth.

Timberlake Wertenbaker has collaborated with the disabled writer Yolande Bourcier on the story of Sandra's intrusion on the eminently reasonable peace of her brother (a commercial artist currently designing anti-blood sports posters) and his wife (a journalist swotting up Leibnitz and Russell for a piece on the ideal society).

Expected to stay a week, Sandra falls for both the family atmosphere and the Vietnam veteran in a neighbouring cottage. The arrival of her possessions from the Centre to which her horrified relations want to return her coincides with a melodramatic confrontation when the American is revealed as her sister-in-law's lover. The curtain line suggests that the brain-damaged Sandra has more emotional strength than the "normal" inadequates around her.

Neither male character is entirely focused, though Jay O. Sanders's beautifully shaded performance almost knits the character of laughing Oklahoma farm-boy who quotes Wilde, fighter-pilot turned anti-war demonstrator who ends up buying a thatched cottage in the west of England, into a consistent whole. Stephen Oxley does what he can with the wimpish artist, an unlikely mixture of the fashionably radical and the prissily bigoted, whose mindless racism—even if it is directed at Americans—is wildly out of keeping.

The women come off better. Philomena McDonagh (she played the blind girl in *Crystal Clear*) is the trendy journalist. Having been sterilised because it was "reasonable," she confesses to the aching longing for children. Ms McDonagh is moving in a finely-wrought passage on the devastating power of the irrational over the merely reasonable.

Linda Bassett's sandra, lop-sided, her left arm forever folded across her chest, fist forever clenched, descends on the prospect of a real home with a desperation more predatory than pathetic. Her true crippling lies in her emotional isolation, not the cyst in her brain. "Not known for beauty—could be so for wit, given the chance," she is discounted by everyone

Alastair Muir

Stephen Oxley, Linda Bassett (centre) and Philomena McDonagh: moving and memorable

Party Games/Covent Garden

Clement Crisp

I enjoyed Michael Corder's *Party Game* at a second viewing on Tuesday. I voiced reservations about the interaction of design, music and choreography after its first performance, but the sharpness of Mr Corder's observation about the games his five people play, and the acuteness of the interpretations — notably Briony Brind's as the vicious mistress of these frivolous ceremonies — are couched in properly febrile and brittle images.

There is a sense in which Patrick Caulfield's design evokes the world of the Opera House itself, and more particularly the pit lobby, and it does not seem unreasonable to view the action as being about private faces in public places, with masks torn off and inner tensions revealed in the interchanges between the three girls and the two men. It is a work which only plumbs the shallows of its characters' behaviour; maybe Mr Corder's point is that they have no depths. But his dances have a quick, stylish air, and I want to see them again.

The depths in MacMillan's *My Brother, My Sister*, which came next in the triple bill, are murky indeed. It is an extraordinary and haunting ballet, and one in which MacMillan's personal dance mythology is seen at its most powerful. Here are all those recurrent fears about death and alienation, epileptic seizures and night terrors, which run like a thread through certain of his most searching inquiries into human behaviour.

With Ashley Page as the brother, Jennifer Penney and Wendy Ellis as the leading sisters, and with Jacqui Tallis, Bryony Brind and Fiona Chadwick is their siblings, the performance was horrifically true.

Brightness, of a kind, came with the closing *Raymonda Act III*. That it seemed a performance only intermittently gleaming, with not much luminosity to the solo variations and a Hungarian *entrée* missing on all cylinders in matter of dash and aristocratic elegance, may be the toll taken on the company by a long season.

Fiona Chadwick and Phillip Broomhead (new to the role of Jean de Brienne this season) were honourable principals. Miss Chadwick dances with ease and clarity, albeit her manner is too ingratiating for a rôle which demands authority. Mr Broomhead has a rich muscular quality to his movement, with nothing thin or apologetic to it; that be fluffed the end of his variation matters not at all, for the rôle was handsomely set out, the choreographic shapes boldly cut, the life of the dance bravely asserted.

Alastair Muir

Bryony Brind and Guy Niblett

BBC Concert Orchestra/Albert Hall

Dominic Gill

One would have thought, in the broad view, a fairly irrepressible concert fetishist to have turned out voluntarily to hear the BBC Concert Orchestra (of International Festival of Light Music fame) under Christopher Seaman play John Ireland (the *London Overture*, Delius's *Cuckoo*, Bridge's *Summer*, Shostakovich's ghastly second piano concerto crowned albeit not without charm, by Glazunov's *Seasons*.

That was Tuesday night's Prom: a delectable feast of Music No One Really Believes to be of Much Importance. And there is no harm, of course, in that: it seems a towering pity only, given the existence of such a deal of wonderful music, much of it shamefully neglected, to devote a whole Prom to second-rate marginalia.

I should be the last person to suggest that audience figures necessarily mean anything at all except money, or not, in the bank. It was reassuring all the same to find that Prom-goers may even have shared my sense of pity, for they stayed away in droves.

Some marginal notes. Ireland's jolly, schmaltzy *London Overture* was jerked half a century into the 1980s by the inspired entry at its climax of a police-car siren sounding outside the hall *in the right key*. Delius's *Cuckoo*—his reminder to all Englishmen of the lush, steaming springtime of Norway—was given by the BBCCO with a confident imprecision that was almost appealing. The second piano concerto in F major, written in 1957, has the distinction of being one of Shostakovich's most successful attempts to compose under deep hypnosis with seven KGB men in attendance. If the melody of its slow movement is really, as our programme note suggested, "unashamedly lovely," then perhaps ashamed melodies are better.

Ensemble Dufay/New Zealand House

David Murray

The reception hall at New Zealand House on Tuesday proved a hospitable place for the five-strong Ensemble Dufay, early music specialists from Wellington. Clear acoustic with warm wood, and a reasonable air of intimacy: just right for psaltery and virginal and the rest of the armoury.

Although the Ensemble takes its name from the 15th-century master Guillaume Dufay, it chose a later French Renaissance programme — mostly psalms and *chansons* for one, two and three voices, varied with short instrumental pieces. *Each performer has mastered* more than one role, and their leader, Robert Oliver, sings tenor while playing bass viol with perfect aplomb.

Besides Oliver, the singers are the counter-teoor Geoffrey Coker and the soprano Greer Garden, whose usefully androgynous timbre blends well hut does not lack character. William Bower is their sound lutenist, and Andrea Oliver plays recorders and Renaissance flutes stylishly.

All the sung French was admirably clear, important for the music which often responds so precisely to the diction of the texts; it helped more to bring out the individual manners of the composers represented than the Ensemble's uniformly suave delivery (true of pitch, always well shaped). Much scholarship goes into its work, but it is lightly worn—they have a homogeneous, coolly attractive personality of their own.

We beard metrical sounds by Pierre Certon, partly recovered from a transcription, and theo four splendid *chanson*-suites by the Huguenot Claude Le Jeune. Each of his "Octaves composed on the vanity and inconstancy of the world" belongs to a trio of soogs oh eightline stanzas, doleful and highly moral in sentiment, rich in pristine inventions (harmonic and rhythmic) that spring directly from the words.

There were more relaxed pleasures in the second half. Odd to find the names of Roussel and de Bussy in a Renaissance programme! These ones flourished in the mid-16th century and wrote charming songs: de Bussy's, it seems, amorous and forthright, Roussel's more elaborated with ingenious conceits. Among the non-vocal pieces were a captivating "Pavane Lesquercade," and Mr Oliver's silky performance of viol ricercare by Diego Ortiz based on yet another *chanson*, ideotified bere as a "16th-ceotury hit."

Irish pianist wins Spanish piano prize

Hugh Tinney, the 25-year-old Irish pianist, has won first prize in the Santander International Piano Competition in Spain. Mr Tinney, who last year won first prize in the Pozolli international competition and will begin shortly a the most substantial cash awards, approximately £10,000, offered by any plano competition and wil begin shortly a series of engagements,

Saleroom

Christie's South Kensington are to sell 200 pictures, watercolours and drawings removed from the studio of the late Tom Keating, on Monday, September 10, at 5 pm.

Mr David Collins, director of the picture department at Christie's South Kensington said, "In December of last year I was staggered by the public response and enthusiasm for over 150 examples of Keating's work, which we sold for a total of £75,000, more than twice the total I ever dreamt of achieving. The question now remains as to whether public enthusiasm will maintain its former level, at last allowing Keating to be considered as an artist on his own merits.

"It is rare that another sale should be devoted to the same artist within a period of only nine months and unusual that it should be taking place so soon after Mr Keating's sad and premature death. Tha sale must surely show the extent of public support for this celebrated artist's work."

Thia sala will include works inspired by Old Masters such as Rembrandt and Titian; Impressionists including Monet, Renoir, Sisley and Degas; studies painted in the course of Channel 4's recent series *Keating on Pointers*—for example Manet's *Olympia*; and works in Keatings own distinctive style, Suffolk landscapes, portrait studies and still lifes.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Aug 3–9

Exhibitions

ITALY

Venice Biennale: The Venice Biennale is up and running for the summer in the Giardini di Castello and at various places around La Serfnissima, the usual melange of the fascinating, the excellent and the frightful from whet the present has to offer across the entire range of contemporary art, with the spectacular bonus at the Palazzo Grassi of the most comprehensive examination one could wish for of the work of all kinds that came out of the Vienna Secession. Out of the chaos in the gardens come the large central exhibitions: Arte, Ambiente, Scena; and Arte allo Specchio; two sprawling but more *coherent shows than usual* that focus especially upon current preoccupations with art historical and mythological reference. Younger blood is consigned to Aperto 84 that fills the old Salt Warehouses on the Zattere. And there are, of course, the national pavilions scattered through the gardens, with their particular offerings: Howard Hodgkin for Great Britain, Penck and Baumgarten for West Germany, Clave for Spain and Dubuffet for France outstanding. Ends Sept 30.

Florence: Palazzo Vecchio: The Horses of Leonardo: 59 studies of horses and other animals, chosen from the 92 relating to this subject from the Queen's Collection in the Royal Library at Windsor. These drawings form only part of Leonardo's output, which covers every aspect of human activity, of oature, and of science. Like many of the Italian humanists he considered the horse a subject of attention second only to man. The exhibition includes ten of Leonardo's studies for The Battle of Anghiari, with their terrific force and vitality. Many preparetory sketches for mostly-unrealised projects and ends with his allegorical drawings of dragons, elephants and cats. Ends Sept 30.

Venice: Palazzo Ducale: The Treasures of the Pharaohs – a rich and fascinating exhibition of more than 60 works (lent by the Cairo Museum) – covering over 3000 years, and containing an enormous variety of objects from mundane things such as combs and cooking pots to the contents of Tutankhamun's tomb. Until End of December.

Livorno: Villa Maria, Via Calzabigi 54: *Amedeo Modigliani (1884-1930), was* better known as a painter, but this exhibition, which marks the centenary of his birth here, has as its focal point four of the lew remaining sculptures by the artist (one from the Tate Gallery, one from the Pompidou centre and two from the U.S. Until Sept 9. Open 10.00am to 7pm (Closed Mon).

TOKYO

China: Bronze objects and early printed books: over 50 items produced between Yin Dynasty (14th–11th century BC) and Ming (1368–1644 AD) including important cultural properties, Okura Shukokan Museum, opposite Hotel Okura, ideally located for breathing space in business schedule. Ends Aug 26.

German Art and Culture, Mediaeval to Modern: 164 items in an imposing and well selected exhibition of art and artifacts (painting, wood sculpture, textiles, everyday objects) from the German National Museum in Nuremberg. Tokyo National Museum of Western Art, Ueno. Ends Aug 26

***Historic Chinese Ceramics** (from the* Shanghai Museum of Art). The Seibu Museum has 98 important ceramic pieces from the Neolithic Age (4100–2300 BC) through succeeding dynasties to Qing (1736–1895 AD). The former is represented by an elegant and refined openwork stem cup in black and covered jar with incised pattern: the latter by the more familiar Miog blue and white. There is an exquisite Qing vase with closely printed motifs, ao elegant white stem bowl with fruit design and a wonderful cross-section ol Chinese ceramic *masterpieces, the yield of* recent excavations. Seibu Department Store, Ikebukuro, Ends Sept 5.

PARIS

Charles Schneider – an artist with glass and o magician with colours – began with Art Nouveau and its floral themes to become a pioneer of Art Deco with its geometrical design in his vases, goblets and lamps in rich hues. Louvre des Antiquaires, 2 Place Palais-Royal, 11am – 7pm. Closed Mon, Ends Sept 16.

Musée de l'Orangerie. The Jean Walter and Peul Guillaume collections are now permanently exhibited in the newly restored Orangerie museum – the pendant to the Jeu de Paume. The museum houses 144 works from Impressionism to the 1930 period. Renoir is richly represented with 24 of his paintings – among them the well-known Young Girls at the Piano, Cezanne with 14 paintings, Matisse with 11. The public will be delighted to be able to view again Douanier Rousseau's Wedding Party and The Cart. Picasso's Women Bathing and other favourites. Musée de l'Orangerie. Metro Concorde, 9.45am – 5.15pm, closed Tue (265 9940).

Klimt, Kokoschka, Schiele – 90 drawings and watercolours by the three masters of the "secession" moveneot whose eroticism or anguished violence scandalised Imperial Vienna at the beginning of the century. Hotel de Ville, Salle Saint-Jean 11am–7pm, closed Tue, ends Aug 12 (276 4068).

Marc Chagall – to celebrate the 97 years of the artist, whose paintings have *lost nothing of their poetical* magic. The floating figures remaining dreamlike, the jewel-like colours as mysterious as ever, there are, until the beginning of October, three simultaneous Chagall exhibitions. 200 works on paper – drawings and gouaches are being shown at the Centre Georges-Pompidou, Paris (278 7995). 85 paintings at the Fondation Maeght in Saint-Paul-de-Vence, and stained glass, sculptures and mosaics at the Musee Message Biblique in Nice.

NEW YORK

Museum of Modern Art: After being virtually closed for three years of renovation, the museum has a chance to show the depth and breadth of its considerable collection. No longer is it e boutique of the modern classics but more like a department store, with double its previous exhibition space and room for such examples of modern design as a whole helicopter.

Whitney Museum: 80 oils of landscapes, interiors and portraits by Fairfield Porter conclude their nationwide tour in New York. Part of a reassessment of this realistic painter who died in 1975 in a period ol relative neglect, the show has a large selection from the painter's last period, when Impressionistic strokes captured New England landscapes and domestic scenes. Ends Aug 19.

Guggenheim Museum: 85 sculptures and works on paper from the permanent collection cover Degas to Calder, and include Arp, Brancusi, Giacometti, Modigliani, Moore and Miro. *Ends Sept. 9.*

LONDON

The Tate Gallery: The Hard-Won Image – this summer's sequel to last year's New Art – is a personal survey by Richard Morphet, of the Tate, of British figurative painting and sculpture from the late 1950s to the present. It is a useful and even important show, for it makes the point almost in spite of itself that figurative art, far from being revived in recent years, never actually went away. *The strength in depth of our* figurative artists in this period is indeed gratifying. Bacon and Moore are the presiding masters; Hockney, Kitaj (honorary Englishman as it were), Andrews, Blake all predictably, and rightly included; Symons, Greenham, Collins, Weight, Harman and Lessore brought into deserved prominence; and the stars are Uglow, Freud, Auerbach, and Kossoff most of all. Endes September 9.

The Royal Academy: 216th Summer Show – by tradition the event that brings in the London Season, and the middle classes in their masses. It is always something of e muddle, as would be any show of many hundred works chosen from several thousand sent in. This year, with 1,757 from more than 12,000, the Summer Show is the largest ever. But it is still enjoyable, if you can take the terrors as they come, and make the effort to look lor the very many good things by Academicians and outsiders alike. The Academy's membership has been gaining in strength over many years, and now has rether more than e fair claim to occupy the centre of the *British Art* Stage. Peter Blake, Eduardo Paolozzi, Allen Jones and John Hoyland are only some of the most recent elections. Ends August 19.

WEST GERMANY

Frankfurt, Städel, 63 Schaumainkai: Ulrich Rückriem, a cootemporary German sculptor, is exhibiting eight stone sculptures from the last two years most never shown before. Ends Aug 19.

Munich, Villa Stuck, 60 Prinzregentenstrasse: A survey of the work of Oskär Schlemmer, the German Bauhaus teacher (1888 to 1943). Another exhibition is dedicated to Albert Welti, the Swiss painter (1862 to 1912), concentrating on one of his major paintings and preparatory drawings. Both end Aug. 19.

Berlin, Brücke Museum, 9 Bussardsteig: "1984 – a year with Karl Schmidt-Rottluff" has 150 water colours from the expressionist painter's estate and works from other museums. Ends August 26

Essen, Folkwang Museum, 41 Goethestrasse *41:* The touring exhibition has 80 pastels from between 1974 and 1984 by Francesco Clemente, the Italian painter. Ends Aug 12.

Berlin, Neuer Berliner Kunstverein, 58 Kurfürstendamm: 1984 – the Orwell year – expressed through installations by six contemporary artists depicting antimilitarism, anxiety, threat and anonymity. Ends Aug 18.

Bremen, Kunsthalle, 207 Am Wall: Nearly 90 new works by Hamburg *artists – among them Horst Jans*sen, Almut Heise, Verena Vernunft, Franz Erhard Walther and last but by no means least Paul Wunderlich. Ends Aug 12.

Düsseldorf, Hetjens-Museum, 4 Schulstrasse: To commemorate its 75th anniversary the museum, specialising in china, ceramics and glass as forms of art, is showing 400 ceramic vessels, sculptures and objects from the last five years. Ends Sept 16.

Darmstadt, Mathildenhöhe, 1 Europaplatz: Expressive paintings and coloured bronze sculptures from between 1975 and 1983 by Sandra Chia, the Italian artist. Ends Aug 19.

Munich, Haus der Kunst, 1 Prinzregentenstrasse: Paintings, sculptures and graphics from the last two years by 500 artists living in West Germany. Ends Sept 16.

Munich, Lenbachhaus, 33 Luisenstrasse: The first big retrospective with works by Uwe Lausen, the German artist (1941 to 1970). It has 160 pictures, graphics and drawings. Ends Aug 19.

VIENNA

Drawings of Gustav Klimt: This exhibition shows an unusual aspect of Klimt. Instead of the more well known heavily gilded and decorated canvasses, here are pencil sketches and monochrome lithographs. They include illustrations from the journal of Vienna's Secession Movement in which Klimt broke new ground. Best ol all are his spare and casual portraits of women in a variety ol moods: impassive but for the tensely clasped fingers or relaxed and sensual. A delicate profile of his sister and a portrait of his sweet-faced daughter strike a more homely note. All Klimt's subjects are treated with the respect and dignity they receive in his larger and more opulent works which many of the drawings here prefigure and which can be seen elsewhere in his native city. This exhibition is a marvellous accompaniment. At the Vienna City Historical Museum, Karlsplatz. Until 16 September.

INNSBRUCK

"The Tyrolean Nation 1790–1820": Prints and paintings illustrate the Tyrolean peoples' fight against Napoleon and their fruitless struggle for nationhood under their charismatic leader Andreas Hofer. At the Tyrol Provincial Museum, Innsbruck, until 14 October.

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Monopoly in civil aviation

AFTER a long investigation, Britain's Civil Aviation Authority recommended last month that the market power of British Airways be reduced slightly ahead of its planned privatisation next spring. The economic case for this is strong. Yet the Cabinet was unable to reach a quick decision on whether or not to slpport the CAA's modest proposals. Instead, it has set up a special committee to re-examine issues already studied hy the industry's independent regulator.

The Cabinet decision casts two long shadows—over the standing of independent regulators and over the real purpose of the privatisation programme. Having commissioned the CAA report, the Government bas a perfect rigbt to reject its findings. However, it would be most unwise to do so without some very convincing reasons. It *is not simply that* the CAA's proposals are in tune with the Government's general philosophy. It is also important not to undermine the authority of the industry's regulator wbich will face the difficult task of controlling BA after privatisation. The Cahinet action might easily be misinterpreted as a sign that BA and the CAA are on an equal footing in disputes over the future of British civil aviatioo.

Loss of routes

As important is the doubt raised over the purpose of privatisation. It is unlikely that the CAA's plans would suhstantially reduce the sale proceeds of BA. The CAA wants to shave only 7 per cent off BA's revenues (the longer-term reduction might amount to 11½ per cent, depending on the competitive prowess of BA's rivals). Lord King, BA's chairman, suggests this would cut profits hy 30 per cent. If the loss of a few of BA's less profitahle routes would really he so calamitous, BA's recovery can hardly be robust and it might make sense to carve it up more thoroughly. Equally, the argument that the proposals would lead to many net joh losses looks questionahle: this would surely happen only if the independents proved much more efficient at operating BA's routes than BA.

The fact that BA is unhappy about its reguletor's proposals is a good sign. If a corporation about to he privatised is happy, something has gone badly wrong: it is probably retaining too comfortable a monopoly position.

Even if, against logic, the CAA's proposals did substantially reduce the proceeds from BA's flotation, in theory this would matter little. The purpose of privatisation should not be to raise cash: one of the Government's achievements has heen a sharp reduction in its horrowing requirement (to well below the OECD norm). The Government'a principal concern shoul dbe to increase efficiency and the scope for competition —this matters more than the cbange in ownership.

The Cabinet's worry ought rather to he that, even with the CAA's proposals fully implemented, BA with over 70 per cent ofthe market and total dominance at Heathrow, would retain rather too much muscle for a profit-maximising commercial venture. Nor sbould the Cahinet be too impressed by the argument that routes cannot be taken from BA now because in 1979 Sir John Nott, Minister responsible, told the Commons that BA would be sold in one piece. The CAA is *not* proposing the break-up of BA, merely the transfer of a few routes. These often change hands — BA has voluntarily ahandoned some and others (not enough) were given up when Britisb Caledonian was set up a decade ago.

At stake is this Government's will to pursue vigorously the "multi-airline" policy espoused hy every government since the war. Progressively greater opportunities for small independent airlines have heen rightly regarded as the best way to foster innovation and to reap the rewards of different management style. The CAA has to look to the long term: restrictive hilateral air service agreements make viahle British alternatives to BA more rather than less important—because of the limitations on genuine international competition. Unless other British airlines become capable of taking over any of BA's routes, the CAA lacks en effective sanction against the likely long-term inefficiency of a monopoly—and BA's incentive to improve its services *is correspondingly* reduced.

One-party rule in Black Africa

ZIMBABWE appears firmly set on a path followed by nearly every country in Africa, with generally disquieting results. Delegates at this week's conference of Mr Robert Mugabe's ruling Zimbabwe African National Union (Zanu) are expected to endorse its draft constitution which envisages a one-party state.

A single-party system may well have some theoretical merit in Africa. It is primarily intended to combat tribalism, the single most divisive and damaging factor in the continent's politics, and to give countries created hy arbitrary colonial boundaries a heightened aense of national identity and purpose.

Support for political parties in the run-up to independence of most African nations has almost invariably heen based on tribal constituencies rather than policies. New governments could not risk, it was argued, having tribal divisions exacerbated by inter-party rivalries on the floor of parliament. Nor sbould governments, invariably short of skills, be distracted from pursuit of relatively simple objectives shared by all, notably better education and social services, investment in agriculture and rural infrastructure and control over the exploitation of their country'a mineral and other resources.

A one-party state, according to its proponents, should not mean an end to debate about government strategy. Former *opponents* of the *ruling* party would he free to criticise provided tbey kept within hroad party policies. It may well he that in theory African nations have been right to adopt a system hased on these principles, leaving Botswana and Mauritius the only multi-party democracies whose own special circumstances allow the West*minster* pattern to work.

Countries—Zaire, for example —which otherwise might have fragmented under trihal rivalries have held together. But the *weaknesses have become* overwhelmingly apparent in practice. In most ooe-party states, parliament has become not a forum for debate, but a rubber stamp. The press is usually under firm control, faithfully reflecting the ruling party's line. The police and army are used to enforce authoritarian measures, trade unions lose their independence, and the head of state becomes a cult figure.

The heavy band of the party *stifles discussion* not only of fundamental issues—whether the country should espouse socialism, capitalism, or something in between—but also of the practicalities of government policies: are farmer getting the right nrice for their products? Should inefficient parastatals be dismantled? Is the expensive steel nlant or fertiliser factory justified?

If many of these shortcomings were not already emerging in Zimbahwe one could be more optimistic ahout Mr Mugabe's intentions. But Zanu's control of 58 of the 80 black seats in parliament, and draconian security legislation inherited from the former white government, have heen used by the *Prime Minister* to implement an increasiogly intolerant de facto one-party system. He already has all the power he needs. The fact that his eovisaged one-party system will espouse Marxist-Leninist principles makes the prospect still less palatable.

Security threat

Given his already extensive powers, Mr Mugabe's anxiety about the slow paca of change towards a de jure one-party state is puzzling. Under the Lancaster House constitution it is not posssible to make the change hefore 1987, without the highly improbable agreement of all 100 members, including Mr Joshua Nkomo's Zimbabwe African People Union (Zapu) and the 20 whites in Parliament.

A one party state would not give Mr Mugabe any further powers with which to deal with the security threat in Matabeleland. The problem is caused hy former guerrillas of the Zimhabwe African Peoples Union (Zapu), living off the land as handits. The beginning of Zapu would merely drive the disaffected members of the party underground, fuelling rather than ending Zapu opposition.

Mr Mugahe has pledged that he will not introduce a one-party state unconstitutionally. He should stick to this commitment and give himself more time to reflect on the consequences of this system for other Africa ncountries, and for the flows of foreign investment and expertise which Zimbabwe badly needs.

Hugh Routledge Ashley Ashwood

Left: clearing up after Liverpool's Toxteth riots, which led to a wave of business concern about the inner cities. Right: Brian Wright (seated), director of the London Enterprise Agency with small business tenant at the opening of the Rosebery House workshops in central London

British business philanthropy

The switch from 'church bells' to job creation

By Tim Dickson

A NATIONAL bookmaking firm is reported to be earning annual profits of £½m from its betting shop in a depressed part of Glasgow.

Twenty-two per cent of the city's population is out of work —providing a major stimulus to the local betting trade—but not a penny of the company's "winnings" has been reinvested in the area.

At nearby Greenock—blighted by the recent closures of British Shipbuilders yards—few if any of the million of pounds which have swelled the coffers of banks and building societies are believed to have found their way back into the community for the benefit of local people.

Many readers will find these attitudes neither surprising nor disquieting — preferring to argue perhaps that the road to economic salvation lies through strict adherence to market forces and full-blooded maximisation of after-tax profit.

But in the past two to three years a growing number of British businessmen has been recognising a different obligation. Disturbed by very high levels of unemployment, inner city decline and genuine threats of a breakdown in the country's social fabric, UK companies have been channelling money and resources into a wide range of *local* job-creation projects, training initiatives and other voluntary work aimed at alleviating economic hardship and social unrest.

There are hundreds of examples up and down the country. British - American Tobacco has spent £0.75m on the reconversion of industrial buildings in Liverpool for small businesses and has budgeted £2.5m for a similar but more ambitious scheme currently under way in London. Citibank, Legal and General Assurance Society and the Abbey National Building Society are among institutions committed to Lenta Housing, a new non-profit-making subsidiary of the increasingly active London Enterprise Agency which will invest in residential housing in Brixton. Shell (UK), Esso and the Arthur Andersen Foundation are among the "patrons" of the Central London Youth Project, a microcomputer training programme based in Covent Garden, while National Westminster Bank and Marks and Spencer each have a number of their *staff seconded* to the growing number of local enterprise agencies (small business advice centres).

Although some companies make money out of these initiatives and others use secondment

By comparison with the U.S., the sums are still miserly

as an integral part of their management training programme, these activities can be described as broadly non-commercial. There are, of course, numerous grey areas—some of the earliest venture capital in the UK was dished out by big companies anxious to facilitate new business creation rather than make vast amounts of money for themselves; while similar social objectives lie behind the recent efforts of big, job-shedding organisations such as ICI and Rank Xerox to prepare their employees for self-employment before they are severed from the corporate womb.

Lest anyone jump to the conclusion that the UK private sector has suddenly turned into a vast and caring charity, the point should be made that the sums involved are still relatively tiny as a percentage of the corporate sector's pre-tax profits. Indeed, they are positively miserly by comparison with this sort of "giving" in the U.S.—while those companies which are already actively involved are motivated principally by self-interest.

No reliable figures are available in the UK but a "guesstimate" by Business in the Community—set up specifically to encourage such local involvement—implies that 0.1 per cent of pre-tax profits is spent on community projects of one sort or another. In the U.S. com*mitments of 2 to 5 per cent of* pre-tax profits are not uncommon.

Wider involvement by UK businesses in the local community is nothing new as the history of Cadbury and Rowntree in the later half of the nineteenth century well illustrates. (There is, perhaps, a streak of Victorian philanthropy in some of the late twentieth century initiatives.)

The big change in the last few years has been a shift away from predominantly arm's length charitable support for hospitals, schools and the arts (often dictated by the chairman's preference for opera as opposed to ballet) to a much more direct corporate involvement in local economic projects and the rebuilding of broken communities. As a representative of one major oil company put it: "What we have seen is a major switch from church bells to job creation."

However, the change has not been without hiccoughs. Take, for example, Inner City Enterprises, a company set up in the wake of the 1981 urban riots by banks, institutions and leading private sector companies. Its purpose is to seek out institutional investment for large inner city projects. But according to its first annual report, it has not yet succeeded in completing a funding agreement for a single project.

Solving social problems, of course, is not the traditional role of UK big business and recent activities raise far-reaching questions about the shift of responsibility from the public to the private sector. It will come as no surprise that the present Government has encouraged this new trend—through granting tax relief on contributions to enterprise agencies, for example.

Perhaps the most conspicuous development has been the *mushrooming of local enterprise* agencies (sometimes called local enterprise trusts). Many of these ara partnerships between the private sector and local authorities aimed at providing advice and training for small firms, particularly those set up by individuals whose only alternative might have been the dole queue. All the high street banks are involved to some degree while Pilkington Brothers, ICI, IBM, British Petroleum and United Biscuits are among growing number of corporate sponsors, providing both money and (more importantly) secondees.

While the encouragement of small business is an important and popular focus for corporate community activities, major companies have also stepped up their involvement in youth training and other "inner city" projects.

One of the earliest and most successful attempts to address this problem was Project Fullemploy, set up in London as far back as 1973 through the collaboration of City institutions and the clearing banks. The organisation now has the capacity to train up to 1,000 young people a year and boasts a "hit" rate (permanent placements) of around 75 per cent of those who pass through its hands, predominantly the ethnic minorities.

The recession, the emergence of a core group of long-term unemployed, and (most visibly) the riots in Bristol and elsewhere in mid-1981 have all heightened interest in this sort of charitable work. The same factors, indeed, provided a fertile background for the setting up of Business in the Community in 1981 and the Confederation of British Industry Special Programmes Unit a year earlier. (The SPU, which has concentrated primarily on galvanising companies to participate in the Government's Youth Training Scheme, is currently merging with BIC).

Business in the Community, whose broad self-appointed role is to encourage industry and commerce to be "more involved in identifying the economic, social and environmental needs of local communities," has concentrated largely on enterprise agencies. Action Resource Centre (ARC), on the other hand, longer established but recently upstaged by the high-powered political contacts of BIC, is a similar sort of "clearing house," specialising in what one of its representatives calls the more "unconventional" projects.

"The long-term unemployed," says ARC, "are not susceptihle to the relatively simple solutions provided by small business advisory services." *Much of* its support — which includes secondees from many of the companies which support local enterprise agencies — is directed at non-profit orientated community businesses, community self-help groups and a vast grey area of other organisations working at local level.

"There is much more to assisting the community than small business start-ups — essential as this is," maintains ARC. "Companies should now be brave enough to cross the divide."

Why then do companies get involved in "community" activities? Why should others follow suit? There is no one answer to these questions, though those most closely associated with spreading the gospel talk enthusiastically about the power of "enlightened self-interest." As Derek Black of IBM pointed out at a recent conference: "Industry and commerce increasingly operate by consent of the community. A company takes a lot from the community and therefore should try to give back. We are interdependent and must contribute to the quality of life."

Most companies may be keen to create a social environment in which business can prosper in the longer term. But others undeniably have shorter-term objectives. It is no coincidence, for example, that United Biscuits and BAT Industries have directed most of their efforts to Liverpool, where the closure of their factories has provoked bitter hostility and left many people out of work; the oil companies, meanwhile, can usually soften their poor image among environmentalists; while a multinational like IBM can, through its "community activities," counteract criticism that it is a giant predator.

Perhaps due to the concentration of corporate headquarters in the South East of England—away from the worst areas of social deprivation — and Britain's welfare state traditions, few UK companies have developed entirely coherent *policies on "social affairs."*

Norma Jarboe, director of corporate affairs at Citibank, says: "In the U.S. companies tend to analyse their "stakeholders" and realise that along with shareholders, employees and government (which is dependent on them for tax) the community in which they operate is very important. The best place to do business is in a happy, healthy community."

David Logan, regional manager, community affairs of the Levi Strauss (UK) Northern Europe division, would certainly echo that last sentiment. Modelled on the U.S. parent's programme, Levi Strauss (UK) has developed a sharp local

Coherent policies have still to be developed

focus ("do things in your own backyard"), has devolved control to its workforce, has homed in on social issues rather than the arts, and has set up a separate company "to try to take our activities away from pure PR."

The company has two specific activities—ordinary charitable donations (handled by the employees) and a special grants programme, which is focused on unemployment. "We try to use what money we have as seed corn and in partnership with others."

The continuing dislocation of technological change, the consequent *demand for new skills* and the relatively recent problem of the long-term unemployed seem likely to inspire an increasing corporate commitment to community involvement in the years ahead.

Men and Matters

Lyons' pride in Jaguar

Nobody has watched the public stampede for Jaguar shares this week with greater elation than Sir William Lyons, 82-year-old founder and president of the company.

"I am absolutely delighted," he told me from his Warwick*shire home yesterday.* "The public's faith in the company and its cars is very gratifying."

Sir William was full of praise for Jaguar chairman John Egan. "He has rescued the company from nothing; it was going to pieces under BLMC," he said. "Bnt now it has a great opportunity to go ahead."

The week's events inevitably raised memories of when Sir William first brought his SS Cars to market in 1935 to a rather more suhdued, though none the less enthusiastic, reception from investors.

"I never charged enough for the cars in those early days," said Sir William—but right up to th meger with BLMC in the mid-1960s, the company was always profitable. "We never lost a penny."

The FT diarist in 1935 had taken a cautious view of Jaguar's prospects. Its 5s shares, he noted, had been heavily over-subscribed at 10s 6d, and a month later could not he bought for less than 12s—"still a very reasonably priced lock-up," according to one jobber, who suggested the share were still 2s or 3s below their "proper price."

"There is inevitably an element of speculation about business of this kind," added the FT diarist warily, "because the motor buyer is full of whims and fancies. Fashions vary about as much with 'huses' as with women's hats."

Home truth

And talking of Jaguar . . . your mortgage rate (and mine) over the next few months may depend as much on how many Jaguar shares you buy as on the trend in bank hase rates.

Building societies already report an outflow of funds over the past week. This is partly attributed to the seasonal rush to buy "B" registered cars hut also to the dasb for Jaguar cars, whicb have been heavily over-subscribed by small investors.

Societies expect a repeat performance wben British Telecom comes to market later in the year.

While funds are being diverted to such investments, the societies seem unlikely to follow too closely behind any cuts in the banks' base rates.

"Nothing serious. I'll give you something cheap for it"

Open prison

Mrs Thatcher's critics may think she has already gone too far in rolling hack the frontiers of state intervention in the economy. But judging hy a recent report in Venture, the self-styled American "magazine for entrepreneurs," Britain still bas a lot t oleam from the U.S. about opening the puhlic sector to the spirit of free enterprise.

Across the Atlantic, Venture reports, they're not just placing services such as refuse collection, mass transit, mail deliveries and school libraries under private management. American husinessmen have also discovered that there are good profits to be made hy privatising the long arm of the law.

Two companies, EnDispute and Judicate, will *arrange* for a fee to try commercial disputes before retired judges, whose decisions the litigants agree in advance to accept. Both companies claim turnover of around $500,000 and see plenty of room for expansion. Washington-hased EnDispute has formed joint ventures in half-a-dozen other cities, while Jodicate has raised $160,000 through a private placement.

Privately-owned prisons are proving a gold-mine, too, with a dozen companies active in the field. "Prisons are a $10bn industry," enthuses one entrepreneur. But others are more cautions, fearing that a shake-out may be on the cards. "This husiness requires a great deal of sensitivity and familiarity," an expert warned Venture. "If one company went belly-up, it could sour the whole idea."

Free kick

It may not he just around the Olympic boxing ring that the Falklands war will be refought this year.

While British protests were being made yesterday about the South American boxing judges in Los Angeles, some Argentines were looking *ahead to* the world cluh soccer cbampionship in Tokyo in Decemher.

Europeen Cup winners Liverpool are due to meet tha South American cbampions, Independiente of Argentina.

Argentine Sports Secretary, Rodolfo O'Reilly, has called on the Independiente club to pull not of the match. But that would deprive them of the chance of winning $250,000.

So two congressmen have tabled a resolution urging the players to go ahead with the game—but wearing shirts hearing a map of the Falklands with an inscription saying: "They are Argentine."

Man in the street

Manx people, famous for their kippers and tail-less cats, are about to discover one of the joys of mainland Britain—driving along narrow country *roads behind holiday caravans.*

After a bitter fight, the Isle of Man's tourist authorities, which want to bring caravans into the island, have got the hetter of the hoteliers who, not *unnaturally, want to keep them* out.

But at a price. The hoteliers got the local government board on their side and all applications for sites on council land were stopped. So the tourist board found private developers to provide sites.

Already, a caravan club near London has warned that it will be taking 20 caravans over next summer, greatly alarming the shipping company which is not sure wbether it can get that number on ona boat.

Caravans, curiously, are not *illegal* on *the island* but are rarely spotted there. My man in Douglas says he has never seen any, though he thinks there might be a few tucked away in the country, off the heaten track.

Three cheers

Making the best of it is still a great British virtue. Reviewing the Olympics medal table yesterday morning, the BBC boasted that the UK at least knew who its gold medallists were, while the Americans "have so many, I douht if anyone could tell you who hed won them."

Observer

ECONOMIC VIEWPOINT

A way round the debt crisis

By Anatole Kaletsky

THIS TIME next year will be the crunch point for the Third World debt crisis. Despite the encouraging signs from Latin America at present, a downturn in the world economic cycle or a further rise in U.S. interest rates, coinciding with political transformation in Brazil as a new president is inaugurated, could all too easily bring the dreaded default.

Yet one major central bank has a dossier of over 100 proposals for restructuring world debt, many of which would be preferable to the present never-ending war of nerves. Even the long-suffering shareholders in U.S. banks, who have seen the debt crisis wipe 40 per cent or so off the value of their investments without a penny of these losses benefiting the debtors in any way, might be better off if Western politicians started thinking—and talking openly—about the principles on which a lasting solution to the debt crisis could rest.

The primary objectives are *clear enough:* to restore rapid per capita growth in the debtor countries and to prevent the collapse of the world banking system.

There are two equally familiar objectives which any sensible approach to the debt crisis should emphatically not attempt to meet: helping debtors at zero cost to creditor countries and protecting the current level of profits reported by the banks. The latter demand is sometimes euphemistically referred to as "*keeping alive the hope of a return to voluntary lending*"; it is in fact a guarantee that normal market lending will never be resumed. As in any bankruptcy, normal lending will only become possible after existing obligations are reorganised.

In addition to the general goals of any restructuring, some more specific criteria are likely to be required of any concrete scheme which hopes to see the light of day. Ideally, it should:

- involve no new international institutions or global negotiations, since these might expose Western governments to all kinds of unacceptable political demands from the Third World;
- enable both borrowers and lenders to predict debt-servicing payments well in advance, so as to eliminate disruptive uncertainties over rescheduling;
- put most of the cost of debt relief onto banks rather than creditor governments, but spread the banks' losses over a very extended period to avoid a bank liquidity crisis;
- ensure that debtors continue to improve their economic management even after the foreign exchange constraint has been lifted;
- avoid subsidising debtors who would be able to continue servicing their loans on market terms without undue hardship.

The last of these requirements can only be met by continuing to restructure debts on a case-by-case basis and imposing a cost of some kind on countries which demand special treatment. Since by definition the countries which need soft terms will be incapable of paying any economic penalties, the costs for debt relief must be political: through stringent long-term supervision of the borrower's economic policies.

Lifting the yoke of macro-economic *austerity* need not make debt relief a soft option politically. Micro-economic policies, on agricultural and energy pricing, import control, foreign investment and income distribution could not only contribute enormously to many countries' growth prospects, but also set a challenging political agenda.

This leaves the purely financial elements of a debt relief package.

Consider a country called Bramexina, which owes the banks $100bn at an interest rate which is currently 14 per cent. If the U.S. inflation rate in 1985 will be 6 per cent, then $6bn out of the $14bn which Bramexina must pay the banks next year will in effect be principal repayment, since the country's $100bn debt will be worth 6 per cent less in real terms by the end of next year. Thus, unless the banks lend at least $6bn in "new money" to Bramexina, they will be cutting their real exposure to the country.

If banks were forced to guarantee to maintain their real level of exposure to Bramexina, much of the debt crisis would be solved at a stroke. This could be done by agreeing a 10-year programme of "new money" loans equal each year to the inflation element in Bramexina's interest obligations. Alternatively, 6 percentage points of Bramexina's interest could simply be "capitalised" each year in the books of the banks—the banks would add $6bn to the country's outstanding debt and take the same money back as notional interest payments.

In the U.S., the regulators would have to change their rules to make such capitalisation possible and the whole arrangement may smell extremely fishy, were it not for one further proviso. If the banks capitalised part of the interest, they could also be obliged to set aside part of their earnings as reserves against possible loan losses. Assuming that the banks' own capital continued to grow at the rate of inflation in the meantime, this procedure would allow them gradually to reduce their relative exposure to Bramexina. The table gives some numerical examples based on a bank which starts with 184 per cent of its capital exposed to Third World loans (the average for leading U.S. banks in 1983).

From Bramexina's viewpoint, a 6 per cent rate of capitalisation would leave it with only $8bn a year instead of $14bn a year of interest to be paid in cash. Unfortunately this would probably still be far too much, which is where the extremely high rate of real interest, 8 per cent to Bramexina, comes in.

The President of Bramexina, recently installed by a democratic uprising against the military technocratic dictator, declares that his country can only pay in cash a "normal" real interest rate of 4 per cent. An additional 6 per cent, equal to the U.S. rate of inflation, will be paid provided this money is made available in new loans from the banks each year. This leaves a further 4 percentage points of annual interest, equal to what Bramexina considers to be "excess" real interest which it refuses to meet.

The banks cannot prudently capitalise their loans more rapidly than the rate of inflation; nor can they simply forgive the "excess" $4bn of interest without risking their solvency. At this point, Western governments have no choice but to intervene. After much haggling they agree to lend Bramexina £2bn a year through a special IMF-World Bank facility and to persuade the banks to forget about the other $2bn, in exchange for a sweeping programme of growth-oriented micro-economic adjustment measures, including politically unpopular agricultural price increases and the abolition of import controls. In addition Bramexina provides a government-to-government commitment to maintain its 4 per cent real interest payments on all current and future bank debts, including the new obligations resulting from the annual interest capitalisation.

How has each of the parties to this bargain fared?

First the banks. Bramexina's debts are now restructured on a long-term basis; there is a firm and feasible commitment from the government to pay the real interest rate of 4 per cent; and any interest more than 6 percentage points above the rate of inflation is in effect guaranteed by the IMF and World Bank. With such assurance of future debt servicing, it is perfectly sound banking to capitalise at the rate of inflation (currently 6 per cent) and establish a 3 per cent annual reserve against Bramexine loans. Considering that a further 2 per cent of interest is being forgiven annually, the total reduction in Bramexina's contribution to profits amounts to 5 per cent of exposure.

Reverting to the real world for a moment, the second table, computed by Mr George Salem of Becker Paribas, shows that the Bramexina restructuring, if repeated for the six biggest problem debtors would reduce earnings reported by 28 per cent for J. P. Morgan, 66 per cent for Manufacturers Hanover, and 45 per cent on average for the money centre banks. After 10 years the banks' average ratio of sovereign loans to capital would have improved from 184 per cent to 124 per cent.

That may seem disturbingly slow progress, considering the drain on earnings which the money centre banks would be suffering. It does seem that some banks at least will be permanently hobbled by their Third World exposures. But it does not follow that the U.S. economy as a whole will suffer a perceptible loan contraction as a result of the permanent crippling of a few big banks.

It is often forgotten how tiny even the biggest U.S. banks are in relation to the whole economy. There are nearly 15,000 commercial banks in the U.S. and the 10 largest account for less than 20 per cent of the capital and deposits. A sudden collapse of any large bank would be disastrous because of its monetary shock-waves; but a gradual fading away would hardly be noticed.

Returning now to the case of Bramexina, the cost of the deal to Western governments is not much more than the growth of their national debt in the few minutes it takes to read this article. Even if the Bramexine treatment was extended to all of the Third World $300bn of medium-term bank debt, the total cost of 2 per cent annually would come to $6bn. If the loans were made through the World Bank, where governments pay in only 7 per cent of the capital they guarantee, the cash expenditure would be $420m.

Finally, look at Bramexina. Cynics crowed that this over-indebted country could never sustain a further growth of 8 per cent a year in debt burden, resulting from capitalisation at 6 per cent plus the $2bn annual borrowing from the World Bank. But in real terms this increase was only 2 per cent a year. With Bramexina growing again at 7 per cent, after inflation, now that the foreign exchange constraint has been slashed, the annual interest payments of $4bn a year, rising no faster than the rate of inflation, are no problem.

Some economic visionaries even suggest that Bramexina will soon be ready to return to normal market borrowing. It will then start paying the banks their extra 2 per cent interest. The banks will be delighted to lend to it again through the markets since this will give them an excuse to channel all those loan loss reserves back into profits, and everyone will live happily ever after.

CHEMICAL BANK / CITICORP / CHASE

EXPOSURE OF MONEY CENTRE BANKS TO SIX PROBLEM BORROWERS*

As percentage of equity and reserves, assuming new lending or interest capitalisation of 6 per cent annually

Loan loss reserves†	Equity growing at 6% pa 1984	1994	2004	Equity growing at 10% pa 1984	1994	2004
0	184‡	184	184	184‡	96	96
3	184‡	124	100	184‡	95	63
5	184‡	107	85	184‡	84	55

* Mexico, Brazil, Venezuela, Argentina, Philippines, Chile.
† Established each year (as percentage of exposure).
‡ Actual exposure of shareholders' equity on December 31 1983.

THE MONEY CENTRE BANKS' VULNERABILITY

	Percentage earnings reductions from setting up loss reserves† of: 1%	2%	5%	10%
BankAmerica	12	24	59	119
Citicorp	7	15	37	75
Chase	10	19	49	97
ManufHan	13	26	66	132
Morgan	6	11	28	55
Continental Illinois	11	22	56	112
Chemical	8	16	40	81
Bankers Trust	6	13	32	65
First Chicago	8	15	39	77
Money Centre Average	9	18	45	90

† Loss reserves as percentage of total exposures to Mexico, Brazil, Venezuela, Argentina, Philippines and Chile.

Source: Becker Paribas.

Lombard

Countering the computer cult

By David Marsh in Paris

A VISIT to two seaside resorts on different sides of the Channel provides a flash of insight into why Britain is forging ahead in the information technology stakes.

In Deauville, teenagers sit on the terraces of beach cafes (the sun is shining), sipping glasses of red liquid, gazing languidly out to sea through dark glasses, or coolly kissing each other.

In Brighton (the sun has gone behind the clouds), the promenade is dominated by lady pensioners in turquoise raincoats. The cream of Sussex youth has gone to earth in dimly-lit dens just off the seafront bearing euphemistic names like Family Fun or Leisure Centre, where they pass the time jabbing buttons and staring at video-screens, soaking up computer culture.

Deeper influences

Of course, massed ranks of amusement arcades on the south coast, and the lack of similar facilities in France, give only a fleeting, partial and even somewhat jaundiced impression of the reasons why computers have caught on so much better in schools in Britain than in France.

It is not hard to find more concrete factors — dynamic British government policies to promote electronics, old-fashioned Gallic scholastic rigidities, lack of suitable (French-made) equipment, and so on.

But perhaps deeper influences are indeed at work: the British are fundamentally more susceptible—(maybe because of more mechanistic minds, or greater love of solitary pursuits?)—to the lure of computer keyboards than the French.

And the alacrity of British educationalists, parents, the BBC, equipment makers, magazine publishers and the Department of Trade and Industry to satisfy this mania for computer magic may not be entirely healthy.

Computers are certainly necessary. Without them words could not be processed, accounts accounted for, satellites satellised, newspapers printed (except in Fleet Street). But the facility to handle a computer—whether to type a business letter or launch a ballistic missile—can surely be learned, when needed, as part of professional training.

Too great an emphasis, at too early an age, on information technology inculcation — for instance, the fascinating classroom machines which enable shapes and pictures to be drawn through the touch of a keyboard rather than with a pencil —must run the risk of curtailing schoolchildren's imagination and creative abilities, and lowering their interest in more straightforward pursuits like reading books or playing football.

A generation of consumers may be growing up who will accept without qualm the time-saving, efficiency-boosting but perhaps ultimately debumanising gadgetry dreamt up by high-technology companies — video systems to work out your milk bills, home shopping terminals, and of course more television.

And a generation of parents may be committing the mistake, out of lust for novelty or, more likely, fear of unemployment, for their sons and daughters in a technology-dominated world, of pushing computer games too enthusiastically before their offspring.

Human isolation

Happily, there may be time for the worst effects to be headed off. The drastic downgrading of forecasts for this year's world sales of personal computers may mark the beginnings of a rearguard action—due not just to depressed economies but also to creeping realisation that home computers when they are not used as professional or genuine study tools —serve little purpose apart from narrowing minds and increasing human isolation.

But the real sign of the tide changing will come only when the chess-playing electronics buff of my acquaintance, who refuses to pit his wits against anyone but his home computer, leaves his machine in the attic, takes out his chess-board—and gives me a game.

Letters to the Editor

Multi-lateral aid

From Mr M. Faulkner.

Sir,—Your editorial of August 1 mis-informed your readership as to the benefit that the UK obtains from its multi-lateral aid programme. Overseas Development Association's own publication, British Overseas Aid 1983, while quoting the 120 per cent return to the UK, admits that this comparison is complicated by the fact that some multi-lateral institutions borrow funds on the market and are thereby able to fund projects. They are able to do this as a result of a capital contribution from the UK and the proper return to the UK must therefore be based upon our percentage of capital contributed.

A comparison of our capital contribution with UK procurement (which figures are available) *shows that in each case* UK goods and services supplied as a proportion of the total falls well below the percentage of capital contributed by the UK. Furthermore, in respect of those multi-lateral agencies funded out of income rather than capital contributions, the return to the UK is only an average 68p in the pound for the regional development institutions, and 51p in the pound for EEC institutions.

Your editorial also fails to realise that the commercial interest of any UK exporter is usually consistent with the national interest—a point our overseas competitors never fail to forget. I fail to understand why it remains more attractive to believe that it is better to hand over taxpayers' money to vast international bureaucracies responsible to no democratic process, when employment prospects and the standard of living of our own people remain at stake. As far as the developing countries are concerned, is not a healthy inter-dependence between nations better than parsimonious charity?

Miles Faulkner.
*42a, The Drive,
Northwood, Middlesex.*

Different pittances

From Mr D. Franklin

Sir,—Chris Pond, director of the Low Pay Unit (August 3) should read the article on Swiss apprenticeships on page 2 of the same issue. The Swiss economy's main plank is its apprenticeship system and "although apprentices start off with not much more than a pittance" this has not led to a destruction of jobs or firms. On the contrary, it has produced a society with the highest standard of living, the lowest inflation rate, the lowest unemployment and youth unemployment in the western world.

Mr Pond further states that 3m workers covered by wages councils are amongst the lowest paid. As "low pay" is calculated at 68 per cent of average earnings and these are £155.80 per week, anyone earning £5,505 or less is on the poverty line. Claims that millions are on low pay only means that they earn less than the amount arbitrarily defined by the Council of Europe.

Surely there is no better reason for the abolition of the wages councils than the LPU's own findings that "over the years the wages councils have *done little* to *improve* the relative earnings of the workers for whom they have responsibility."

D. G. Franklin.
121 Kennington Road, SE11

Take a year's holiday

From Mr W. Stafford

Sir,—In your issue of August 1, Mr Paul Cheeseright from Brussels refers to specific measures being introduced by the Belgian Government "including the payment of a lump sum to those prepared to take a year's holiday, leaving space for an unemployed person to take a job."

This seems the most ingenious scheme, announced by any Government to reduce the number of its unemployed. It could be argued that it will not provide real jobs but it will give work experience and shorten the dole queue, if only for a year.

In the same issue, John Devies reports from West Germany that "more young West Germans seek on-the-job training, including some who have completed military service."

One can well understand Belgium—with an unemployment rate substantially higher than ours — introducing unusual schemes to reduce the number unemployed. West Germany, however, with 2.2m unemployed, France with nearly 2.5m, and Italy with 2.7m, *all* have compulsory national service and have introduced or contemplate implementing early retirement to shorten their lengthening dole queues.

Apparently our service chiefs do not favour compulsory national service. Perhaps they would find a voluntary scheme more acceptable. As to early retirement, bearing in mind that the armed forces, police, civil service, bank and many insurance employees, retire at or before age 60, could not the Government encourage more male workers to retire at that age by early announcement that as from, say, April 1, 1988 men will be eligible for the State Retirement Pension at 60 instead of 65?

W. H. Stafford.
*Old Beeches,
Turners Green Road,
Wadhurst, East Sussex.*

Non-executive directors

From the Director, Promotion of Non-Executive Directors.

Sir,—We have read with interest the comments in the Lex column on August 6. The point about independent directors (a better name than "non-executive") is precisely that they ought to be regarded as an essential part of any plc's board room.

Success and failure are always difficult to attribute: the one has a thousand fathers, the latter is always an orphan. It is too glib to say "X" company has succeeded without independent directors and "Y" company has failed with them. "X" may not look so good in five years' time and the independents in "Y" may have been badly chosen and poorly briefed. Many of our best run companies have a substantial proportion of able independents on the board and there is no doubt that they make an enormously important contribution. On the other hand, it is a matter of observable fact that one recipe for long-term decline is for the chairman's role and chief executives role to be combined in one person and for there to be insufficient able independents on the board.

Whether the independents contribute depends heavily on the chairman. This is both the strength and the weakness of the UK system. If the chairman wishes to have good independents and wants them to play their part, he should be in a position to ensure both. If he wants to do otherwise he can, indeed, keep them out altogether or pick poorly or fail to bring them in enough.

It is an interesting thought that the independent directors might put a separate piece in the annual report but the implications of the formal differentiation of their role needs to be worked out. And it is not just the independents but all directors who should be custodians of the shareholders interests and ought to be more active in seeing that they are. Indeed, shareholders could undoubtedly play a bigger part than they do in ensuring the quality and effectiveness of company boards and it is very much to be hoped that they will more often exercise the powers they already possess.

The need is for non-executive directors to be absolutely independent and for appointments to be of limited duration.

J. P. Charkham,
30, Cursitor Street, EC4.

High-risk position

From Mr N. Prowse

Sir,—I'm afraid observer's foreign exchange dealer from Citibank (August 6) it not as well-hedged as he appears to think. You only have to look at a telephone directory to see that 65 per cent of people have last initials in A-M and only 35 per cent in N-Z. I only hope his very high-risk position is suitably covered by options.

Nicholas Prowse,
*Olives Farmhouse,
Ongar Road, Great Dunmow,
Essex.*

Architecture in Riyadh

From Mr R. Smith.

Sir,—We viewed with interest Paul Betts' report (July 23) on the King Saud University following his visit to Riyadh.

Do you not think it is rather sad, however, that his comments in glowing terms of the construction and design of one of the largest universities in the world excluded the name of the architect of which we form a large part?

Robert Smith,
*GMW Partnership,
18, Manchester Square, W1.*

The ten top cliches

From Mr D. Bloom

Sir,—I suspect that we have the business schools to thank for parameter (August 6) and that they, in turn, borrowed it from the psychologists, who appear to mean by it a variable having a constant relationship to some other variable.

That is seldom how it is understood in business circles. Perhaps because it sounds like perimeter, many practitioners use it as though it set limits or defined conditions—"within those parameters," they say—and at times parameter becomes simply a grandiose word for factor: hence "key parameter," ie main factor.

With the growth of econometrics, it cannot be long before the verbal form "parameterise" adorns our discussions, and just around the corner is "operationalise"—but that's a whole new bag of parameters.

Derek Bloom.
47, Old Church Street, SW3.

FINANCIAL TIMES

Thursday August 9 1984

Reginald Dale *marks the 10th anniversary of a traumatic resignation*

Why Nixon is feted but not forgiven

TEN YEARS ago today a tearful and emotionally drained President Richard Nixon left the White House, bitterly humiliated and publicly reviled. The only U.S. President ever to resign his office, he still faced the likelihood of criminal indictment for his Watergate activities and the threat of financially devastating legal fees.

A decade later, at 71, Mr Nixon has staged a recovery that few would have predicted in the darkest days of 1974, when his friends said he was so depressed as to be verging on the suicidal. He is rich, healthy, articulate and well on the way to achieving his ambition of becoming a respected elder statesman on world affairs.

The American media once Mr Nixon's bitterest enemy, now frequently refers to his "rehabilitation." In May, Mr Nixon received an ovation from a convention of American newspaper editors after delivering an entertaining and skilful analysis of this year's presidential campaign (he thinks President Reagan will win a close election in November) and assuring the editors that he now has "no enemies" in the press.

But it is quite clear that Mr Nixon, whom the Watergate grand jury branded as an "unindicted co-conspirator," will never be totally rehabilitated.

Mr Nixon stood accused of crimes ranging from "covering up" the June 1972 burglary of the Democratic Committee's Watergate Building headquarters by agents of his own re-election committee to widespread use of "dirty tricks" against political opponents.

Having fundamentally shattered national confidence in the hallowed institution of the presidency, he resigned only to escape formal impeachment.

However great his new-found influence as a commentator and consultant on foreign affairs, the nation as a whole will never forgive him for the trauma he inflicted on it.

To the relief of most participants, he will not appear at the Republican national convention in Dallas later this month. Party leaders still sometimes boycott his appearances at Republican fund-raisers, and those who seek his advice tend to do so on the sly.

Mr Nixon's long, slow climb back to a kind of respectability began one month after his resignation, when President Gerald Ford granted him a blanket pardon for any crimes he might have committed in the White House – an act that some analysts believe subsequently cost Mr Ford the presidency.

Surveys consistently showed that two thirds of Americans thought that he should not have been pardoned, and about 7 per cent of voters told pollsters that they had not voted for Mr Ford in 1976 because of it. Had they done so, he probably would have defeated President Jimmy Carter.

Step-by-step Mr Nixon began inching back, first overcoming his health problems, then making his first public appearance, then a foreign trip, then his first political speech. Now, he has visited 18 nations, including three trips to China as a guest of the Government, thanks to his opening of U.S. relations with Peking in 1972. He has conferred with 16 heads of state, figured frequently on TV and in newspaper interviews and is working on his fifth post-White House book, "No more Vietnams".

With an annual $119,000 pension and $300,000 in government expenses, he is well off. He was paid $500,000 for a recent series of TV interviews with the CBS network.

He has a $1m house in New Jersey and an office near Wall Street, to which he is driven every day by the secret service, which will protect him for life.

If he has chosen foreign affairs as the channel for his recovery, it is partly because he always wanted to be remembered as a campaigner for world peace, partly because it is an easier route than confronting his Watergate past.

By the standards of the Reagan Administration, he is a relative "liberal" on foreign affairs, which makes him anathema to many right-wingers. Ironically, however, it has helped his "rehabilitation" with more moderate Americans, who tend to make favourable comparisons of his views – particularly on detente with the Soviet Union – with those of President Reagan.

He seems doomed, however, never to get the albatross of Watergate off his neck – not least because he has never really managed a sincere apology for what he continues to regard as no more than a blunder or an error of judgment. The same flaw in his character that led him into Watergate also seems to prevent him from seeing what he did wrong.

As Time Magazine put it this week, "Nixon is probably destined to spend years as a kind of Ancient Mariner, plucking at the lapels of passers-by and trying to explain his strange story."

THE LEX COLUMN

Rate-capping by the Bank

Last month's leap in base rates won as little favour in Threadneedle Street as it did in Downing Street, so it was not altogether surprising yesterday to see the Bank of England nudging the clearers back down the hill.

Having stated publicly just before the last jump that it saw no reason for rates to rise the Bank had perhaps more than a passing interest in bringing base rates down a notch. Yet, in its own defence, the Bank could legitimately claim that the 12 per cent rate was looking excessive by the time the printer's ink had dried on the clearers' base rate advertisement.

Then, as now, the only convincing argument for holding base rates at such a high level was the weakness of sterling. Judged against that yardstick, yesterday's move was a decisive success. Sterling's trade-weighted index rose 0.2 per cent to 78.7, encouraging the notion that the Bank would waste no time in endorsing a further fall in money market rates in order to bring base rates down to 11 per cent.

Last night three-month sterling CD's were trading as low as 11⅛ per cent, so the Bank may not need much further encouragement.

There is little reason, on the face of it, for the Bank to hold back if market rates slip another quarter. Sterling is being well supported by rising oil prices, the U.S. debt market appears to be digesting the latest funding package without difficulty and the UK monetary aggregates are back on course. Even if the PSBR proves to have been erratically low in banking July, the authorities have taken precautions against any nasty news in the current month. Yesterday virtually all of the new tap was sold at a half point premium.

The only party which might have felt aggrieved at yesterday's events was Barclays, which has been in the uncomfortable position of leading the rise in base rates owing to its unusual rate adjustment formula. Barclays had rather been hoping that it would also claim the credit on the way down. But yesterday NatWest nipped in first. The least the Bank can do is give Barclays another chance.

Commercial Union

The stock market is by now so thoroughly inured to hard-luck stories from Commercial Union that initially the company's share price scarcely fluttered at the remarkable news of a £6.1m pre-tax loss for the second quarter to add to the £8.4m deficit reported in the previous three months. By the end of the day, however, the share price was showing an 11p loss at 193p.

The movement was directly attributable to what, in CU terms, amounted to an almost heretical statement from the group's chief executive. The CU dividend has traditionally been seen as inviolable and the company normally takes every opportunity to reassure shareholders on this point. Yesterday, however, the company conceded that if it could not foresee a trading improvement in 1985 it might need to cut the final payment.

A dividend cut at this juncture would be tantamount to an admission of failure by the group's management and would most certainly make CU more vulnerable to a bid. Yet, while the group's solvency margin is still quite comfortable at 47 per cent, the repeated calls on reserves to pay the dividend are sapping more than just confidence from the CU team.

Having expanded rapidly against the tide in the U.S. with disastrous results, the group is planning to cut premium volumes sharply when, by its own admission, rates seem at last to be firming in a sustainable way.

The rate increases seen so far are admittedly not enough to generate a proper return but CU is also limited in the U.S. by its relatively modest capital base. The parent could always inject funds to finance growth but, with the UK now under pressure, Canada turning down again and roughly break-even after tax the best to be hoped from the group this year, CU might understandably be reluctant to throw good money after bad.

Needless to say, annual dividend payment of almost £50m hardly makes the dilemma look any less troublesome.

Marley

Marley has proved since 1982 how adept it is at extracting profits from the home owner when interest rates are declining and the building sector is buoyant. Yesterday's news of a 44 per cent rise in profits to £14.8m pre-tax during the half year to June did nothing to shake the market's faith in that skill. But as the longer term outlook for interest rates grows cloudier, Marley also needs to demonstrate that it can ride a difficult period without the roof caving in, as it did in 1981 and 1982 when profits almost halved to £11.6m.

Marley has admittedly inherited new management since the last collapse and there is some reassurance to be drawn from a strong performance in South Africa in the teeth of 25 per cent interest rates. Even so, the market is not taking too much on trust and has shaved full year forecasts from as much as £40m to round £38m. Taxing those profits at 42 per cent gives a conservative p/e of about seven at last night's price of 75p.

Even leaving the demand cycle to one side, Marley is having to contend with two new entrants to its roof tiling market and the persistence of losses from its Ingrid house products business in the U.S. Marley aims to have this operation in the black next year and has high hopes for its rapidly expanding DIY operation in the UK. But, in the stock market, the jury is still out.

Commercial Union hit by losses in Britain

By Eric Short in London

COMMERCIAL Union Assurance, one of Britain's largest composite insurance groups, yesterday reported a pre-tax loss on its worldwide operations for the second successive quarter, resulting in a pre-tax loss of £14.5m ($18.8m) for the first six months against a £30.4m profit for the corresponding period last year.

The company is holding its interim dividend payment at last year's figure of 4.85p, however. It turned a pre-tax loss into a shareholders' profit by crediting £27.5m of realised investment gains – an unusual accounting practice for an insurance company which tends to put capital gains into shareholders' funds.

Underwriting losses – the excess of claims and expenses over premiums received – on its general insurance business climbed from £124.3m in the first half of last year to £173.1m in this year's first six months, of which £106m came from the U.S. and £50m from the UK.

The U.S., CU's largest operating area, has been causing problems for some years. The company has been taking corrective action, however, by raising premium rates, reducing staff and cutting unprofitable lines.

Although it has been reducing its expenses, the premium increases have not stopped losses continuing to rise on its commercial business. Personal business has been hit by what the company describes as "heavier than usual natural catastrophes."

The U.S. position would have been far worse had CU not extended last year's reinsurance arrangements which curtailed losses at the expense of future investment growth.

Although the U.S. experience was not unexpected, the size of losses in the UK came as a complete shock, being triple those of last year.

Winter storms cost £12m in the first quarter. The £6.1m bill for subsidence claims is double that of last year and rising steadily. Employees are making more claims under employers' liability insurance and many of these have trade union backing.

The UK deterioration resulted from premium rates for most UK insurance being too low, especially on house buildings and contents.

Mr Cecil Harris, CU's chief executive, admitted this and said the group was examining its premium rates. He also said, however, that CU would not increase rates unless there was a general market move in this direction.

CU's share price fell 11p to 193p, not on these results but on hints that the insurer might cut its final dividend if the anticipated recovery was not evident by next February.

CU maintained dividend payments although profits have fallan

Details, Page 29

E. Germany has 'no desperate need for West's $327m credit'

BY RUPERT CORNWELL IN BONN

AN APPARENTLY strong first-half economic performance and a relatively comfortable foreign debt position suggest that East Germany has no desperate need for the new DM 950m ($327m) credit extended by West German banks.

This is the main conclusion of a study prepared by the authoritative West German DIW research institute, built on the official data for the East German economy in the first half of 1984, recently released in East Berlin.

DIW's report comes against the background of much warmer relations between the two Germanys. The rapprochement is due to be crowned by the first-ever visit of Herr Erich Honecker, the East German leader, to West Germany at the end of next month.

Preliminary figures indicate that the East German economy, as measured by "produced national income," rose by 5.1 per cent in the first six months, against a yearly target of only 4.4 per cent contained in the national plan.

DIW notes that the sustained expansion – which follows 4.4 per cent growth in 1983 – has been managed in spite of shortage of raw materials and investment goods.

Investments in fact dropped by some 3 per cent over the period, according to the institute.

East Germany's success in boosting foreign trade by 10 per cent in the first six months – compared with a targeted 5 per cent – is particularly "surprising," DIW says.

The main factor seems to have been an 18 per cent jump in deliveries to the Soviet Union.

The country faces repayments totalling "at most" 20 per cent in 1984 of its estimated gross foreign debt of between $8bn and $9bn. Moreover, quite apart from the DM 950m credit, East Germany has also raised $115m on the Euromarket this year.

DIW comments that there are "no discernible economic factors" arguing for emergency use of the credit. East Germany's liquidity position is "not unfavourable," while no major foreign investment purchases are in sight.

Despite the furore in the Soviet press over the improvement in East-West German ties, officials in Berlin are still convinced the Honecker trip will go ahead.

Reuter reports: In Düsseldorf, Herr Hans Künast, deputy director of East Germany's Leipzig Fair, said that trade between East and West Germany had increased in the first half of 1984 and this trend was expected to continue. He gave no figures.

East Germany regarded the huge number of West German companies expected at the Leipzig Fair as an indication that West Germany was prepared to intensify and extend bilateral trade, he said. East Germany would contribute its share to this.

West Germany, with 500 companies, is expected to be the biggest Western participant at the week-long fair next month.

German toolmakers attack UK aid for Japanese plant

BY JONATHAN CARR IN FRANKFURT

WEST GERMANY's machine toolmakers have stepped up their attack on the grant being made by the British Government to help the Japanese build a machine tools plant in Britain.

The German machine toolmakers association (VDW) particularly criticised the European Commission for approving the British aid, and said it would continue to oppose the Brussels decision with all legal means.

The Commission only gave its assent last month to the £5.2m ($6.8m) grant which will help Yamazaki build a plant to make computer-controlled machine tools near Worcester. Yamazaki is investing £30m in the project.

The German association argued that "through this subsidy made with EEC approval probably 200 jobs will be created in Britain but many times that number of jobs will be destroyed in the European machine tools industry."

The association pointed out that Britain, which had long appealed for European protectionist aid against Japanese machine toolmakers, was now offering Yamazaki "cheap production capacity."

The association's protest comes as the German industry, the world's biggest machine tools exporters with 23 per cent of the international market, is showing clear signs of recovery after the recession.

Incoming orders in the first half were up by 35 per cent, admittedly against a very weak performance in the first six months of 1983, with domestic demand even stronger than that abroad.

After a fall in sales of 7 per cent to DM 9.1bn ($3.12bn) last jear, sales in the first half of this year were down by only 3 per cent and are expected to pick up strongly in the second half.

Despite this improvement, the Germans are increasingly aware of the Japanese, with around 15 per cent of the world export market, snapping at their heels. A recent study stressed thet the Germans could well face stronger competition from the Japanese in Eastern Europe, which takes, about one fifth of German machine tool exports.

STC may lift bid for ICL

Continued from Page 1

and constructive discussions. It was agreed that both parties would exchange comprehensive information concerning each company, particularly to ascertain the extent of the benefits which could flow from a merger of the two businesses.

"Indications are that this exchange will lead to a material improvement of STC's offer," the companies said.

It was understood that, if the talks were successful, an increase of at least 5 per cent could be expected in STC's share offer.

Teaching foreigners to be perfectly English

BY ARTHUR SANDLES IN LONDON

WANT to know the wrinkles about British taxation? Or how to bank in London? Or where to live? Or what washing powder Britons buy? For £3,000 ($3,900) and a week of their time any foreign couple can find out under a new instant acclimatisation system for the upper bracket.

Many a high flier apparently arrives in Britain with an exalted salary and embossed visiting card, but little or no knowledge of how the country ticks or how its people live.

"A new man arrives here and is being paid £50,000 to £60,000 for a year. But the first few months he spends his days on the telephone with his wife talking about schools, curtains and finding a doctor. We are trying to help with all that." So says Mr Jorgen Pedersen of Executive Briefing, a company set up by Group 4, the security organisation, to handle the difficulties of innocents abroad.

The five-day course is no joy ride. These are serious and busy people.

On one day alone the eager student is whisked to the Bank of England, London's stock exchange, financial futures exchange and metal exchange, the Baltic Exchange (shipbroking), Samuel Montagu and National Westminister banks, the *House of Commons*, the theatre and, to dance away the problems of the day, Annabels night club.

Wives (it is assumed that on such executives are women) are given instruction on the delicacies of British etiquette and information on where to find a plumber. A hotline is offered as a follow up service.

The British are, apparently, very forgiving to foreigners for most things, but there are areas of sensitivity. "We have to tell them not to make jokes about the Royal family." The other non-joke area, it seems, is country sports. "We explain that in Britain if you go hunting you do not take a gun."

The course, which costs only £2,000 if the executive does not involve a spouse, includes all meals and accommodation. It explains about insurance and medical services and has a special session on "an Englishman, his bottle and his guests."

Most of the directors of the company are Scandinavians and the first clients have proved to come from that region. The British view of Scandinavia is one of an egalitarian society which, if correct, might make the sessions on "nanny, butler etc..." fascinating.

The Pedersen family has been living in Britain for nearly 20 years. "The children are going back to Denmark to learn how to be Danish," says Mrs Pedersen. "We made so many mistakes when we first arrived. I blush to think of them."

Her husband blushes too, but not, he hopes, their clients.

Executives raise cash for working UK miners

By Sue Cameron and Philip Bassett in London

MORE THAN 100 leading British businessmen have raised in excess of £30,000 ($39,000) in the past three weeks in support of a fund for UK mineworkers who want to return to work in defiance of their union.

It is understood that the cash is being used to pay the legal fees and other expenses of miners who want to see an end to the 22-week-old strike over pit closures. The money, which is still flowing in, has come out of the businessmen's own pockets and not from their companies.

Some of the money is expected to go towards paying the costs of Mr Bob Taylor and Mr Ken Foulstone, two south Yorkshire miners who are issuing writs against the National Union of Mineworkers (NUM). The writs, which call for a national ballot on the strike to be held within 28 days, are due to be considered by the High Court in London later today.

Lord Hanson, chairman of Hanson Trust, and Sir Hector Laing, chairman of United Biscuits, are believed to be among the businessmen supporting efforts to raise the money. The cash is apparently being put into a fund held by a firm of solicitors in Newark, Nottinghamshire, which is acting for Mr Taylor and Mr Foulstone.

A written appeal for money to help the miners who are opposed to the strike is being circulated among chairmen, chief executives and managing directors of major companies. It is headed by a quotation from Edmund Burke: "All that is needed for evil to triumph is that good men do nothing." It goes on to point out that striking miners and NUM pickets are receiving financial support from sympathetic local councils, from collections at factory gates and from other sources.

"On the other side are the Nottinghamshire and other miners who have carried on working," the appeal says. "They are now actively trying to persuade miners in other coalfields to return to work.

Information on the activities of the miners opposed to the strike – and their need for funds – has been spreading fast, often by word of mouth. The unofficial leader of the back-to-work movement is Mr Chris Butcher, a 34-year-old Nottinghamshire miner. Until his identity was revealed last weekend he carried out his campaign under the alias of Silver Birch.

He said the alias was needed because he feared for the safety of his wife and family. Police have been guarding his National Coal Board home at New Ollerton, near Mansfield, throughout this week.

Groups of anti-strike miners in Scotland and South Wales are also known to be considering whether they could take legal action against NUM officials over their conduct of the strike. It is thought money might be raised to help them with legal expenses if necessary.

Police yesterday mounted an operation in the north of England in an attempt to trace an organisation of militant miners which is held responsible for commando-style attacks on coal board properties.

In Doncaster, south Yorkshire, on Tuesday evening about 50 men in a number of cars and a truck drew up outside the NCB headquarters and threw stones and bricks at the windows causing damage estimated at £2,000. A similar attack occurred at Harworth colliery, in Nottinghamshire.

An NCB spokesman said: "It's difficult to understand what is behind this mindless vandalism. It is nothing that can be equated with picketing. There was no one to picket. It's simply trying to create havoc and terror for no prpose."

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	24	75	Dubrovnik	S	26	79	Malaga	S	32	90	Salzburg	F	21	70
Akrotiri	S	37	98	Faro	S	26	79	Malta	S	29	84	Seoul	S	32	90
Algiers	S	30	86	Florence	F	29	84	Manila	R	28	82	Singapore	R	29	84
Amsterdam	S	22	72	Frankfurt	F	23	73	Miami	S	30	86	Stockholm	F	21	70
Athens	S	29	84	Funchal	S	24	75	Milan	R	21	70	Strasbourg	C	17	63
Bahrain	S	36	97	Geneva	S	20	68	Moscow	F	24	75	Sydney	S	21	70
Bangkok	S	33	91	Gibraltar	S	32	90	Munich	F	20	68	Taipei	S	27	81
Barcelona	R	19	66	Guernsey	F	17	63	Nairobi	-	—	—	Tangier	S	29	84
Beirut	S	29	84	Helsinki	F	23	73	Naples	C	33	91	Tehran	-	—	—
Belgrade	C	22	72	H. Kong	S	32	90	New Delhi	R	37	99	Tel Aviv	S	37	98
Berlin	C	21	70	Innsbruck	F	21	70	New York	C	31	88	Tenerife	S	28	82
Biarritz	C	18	64	Inverness	C	18	64	Nice	F	24	75	Tokyo	C	34	93
Blackpool	S	18	64	Istanbul	S	29	84	Oporto	S	29	84	Toronto	C	29	84
Bordeaux	F	20	68	Jersey	C	17	63	Oslo	C	18	64	Tunis	S	29	84
Brussels	F	20	68	Jo'burg	S	17	63	Paris	F	19	66	Valencia	F	28	82
Budapest	C	22	72	Las Palmas	S	26	79	Prague	C	17	63	Venice	-	—	—
B. Aires	S	13	55	Lima	C	20	68	Reykjavik	C	10	50	Vienna	F	20	68
Cairo	S	32	88	Lisbon	S	26	79	Rio de J'o	C	30	86	Warsaw	S	27	81
Cape Town	-	—	—	Locarno	R	15	59	Rome	S	26	79	Zurich	R	17	63
Caracas	C	29	84	London	C	16	61								
Casablanca	S	26	79	Los Angeles	S	29	84								
Copenhagen	F	20	68	Luxembourg	F	20	68								
Corfu	F	29	84	Madrid	S	25	77								
Dublin	C	16	61	Majorca	F	29	84								

Readings at mid-day yesterday:

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

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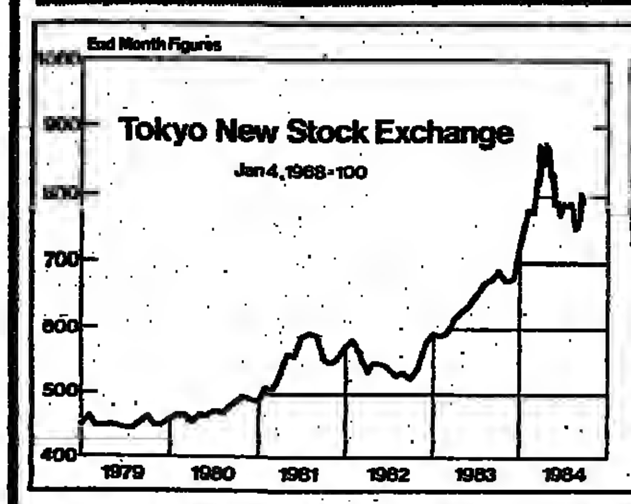
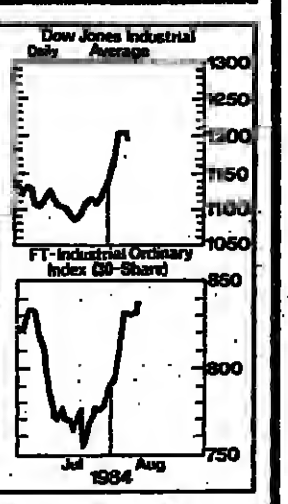
SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Thursday August 9 1984

KEY MARKET MONITORS





STOCK MARKET INDICES

NEW YORK	Aug. 8	Previous	Year ago
DJ Industrials	1,196.11	1,204.62	1,163.06
DJ Transport	511.38	526.1	532.5
DJ Utilities	125.67	125.05	127.60
S&P Composite	161.75	162.71	159.18
LONDON			
FT Ind Ord	839.0	830.5	725.4
FT-SE 100	1,080.7	1,068.7	972.3
FT-A All-share	506.3	501.33	454.06
FT-A 500	549.47	542.9	495.22
FT Gold mines	527.6	521.0	626.1
FT-A Long gilt	10.64	10.72	10.83
TOKYO			
Nikkei-Dow	10,247.12	10,313.63	8,960.00
Tokyo SE	792.67	797.03	659.93
AUSTRALIA			
All Ord.	729.4	728.4	672.7
Metals & Mins.	463.0	458.9	583.5
AUSTRIA			
Credit Aktien	53.37	53.4	55.32
BELGIUM			
Belgian SE	148.03	147.92	131.26
CANADA	Aug 8	Prev.	Yr ago
Toronto			
Metals & Minls	1,876.61	1,894.85	—
Composite	2,280.47	2,290.22	2,402.0
Montreal			
Portfolio	112.60	113.19	118.18
DENMARK			
Copenhagen SE	192.49	193.03	165.59
FRANCE			
CAC Gen	160.9	160.9	130.4
Ind. Tendance	104.7	104.1	82.8
WEST GERMANY			
FAZ-Aktien	333.68	332.61	320.11
Commerzbank	969.1	965.4	946.2
HONG KONG			
Hang Seng	894.13	885.49	1,028.0
ITALY			
Banca Comm.	215.26	213.17	198.59
NETHERLANDS			
ANP-CBS Gen	160.8	159.0	139.9
ANP-CBS Ind	128.5	127.9	113.0
NORWAY			
Oslo SE	260.20	258.34	201.62
SINGAPORE			
Straits Times	972.60	983.51	910.67
SOUTH AFRICA			
Golds	950.2	928.0	873.6
Industrials	864.4	862.2	928.3
SPAIN			
Madrid SE	140.23	140.36	119.29
SWEDEN			
J & P	1,526.35	1,533.39	1,519.29
SWITZERLAND			
Swiss Bank Ind	371.8	370.9	346.7
WORLD	Aug 7	Prev	Year ago
Capital Int'l	179.4	180.5	174.6

GOLD (per ounce)

	August 8	Prev
London	\$345.25	\$343.50
Frankfurt	\$344.25	\$342.50
Zürich	\$344.25	\$342.75
Paris (fixing)	\$344.10	\$344.54
Luxembourg (fixing)	\$343.50	\$346.75
New York (Aug.)	\$344.40*	\$350.40

* Latest available figure

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	Aug 8	Previous	Aug 8	Previous
\$	–	–	1.3155	1.306
DM	2.8985	2.914	3.825	3.8
Yen	243.0	244.45	320.0	319.25
FFr	8.915	8.9425	11.7775	11.69
SwFr	2.442	2.4575	3.22	3.21
Guilder	3.282	3.2885	4.32	4.295
Lira	1785.0	1787.0	2350.5	2338.5
BFr	58.735	58.785	77.3	77.0
C\$	1.30425	1.30575	1.709	1.7035

INTEREST RATES

	Aug 8	Prev
Euro-currencies (3-month offered rate)		
£	11½	11 13/16
SwFr	4 13/16	4 13/16
DM	5 13/16	5⅞
FFr	11 15/16	12
FT London Interbank fixing (offered rate)		
3-month U.S.\$	11 15/16	12 1/16
6-month U.S.\$	12 3/16	12⅛
U.S. Fed Funds	11½	11⅝
U.S. 3-month CDs	11.45	11.50
U.S. 3-month T-bills	10.46	10.51

U.S BONDS

Treasury	August 8* Price	Yield	Prev Price	Yield
12⅝ 1986	100 15/32	12.33	100 15/32	12.35
13¾ 1991	104 27/32	12.67	104 25/32	12.69
13⅛ 1994	102 15/32	12.65	102 17/32	12.66
13¼ 2014	105 15/32	12.54	105 7/32	12.59
Corporate	Aug. 8* Price	Yield	Prev Price	Yield
AT & T				
10⅜ June 1990	89⅞	12.90	89⅞	12.90
3⅞ July 1990	71.00	10.60	71.00	10.60
8¾ May 2000	72⅞	12.80	72⅞	12.80
Xerox				
10⅞ March 1993	87¼	13.15	87¼	13.15
Diamond Shamrock				
10⅜ May 1993	86⅝	13.25	86⅝	13.25
Federated Dept Stores				
10⅜ May 2013	90.342	13.30	90.342	13.30
Abbot Lab				
11.60 Feb 2013	89.00	13.30	89.00	13.30
Alcoa				
12¼ Dec 2012	89.00	13.30	89.00	13.30

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
Sept	65–20	65–31	65–15	65–14
U.S. Treasury Bills (IMM) \$1m points of 100%				
Sept	89.55	89.61	89.54	89.51
Certificates of Deposit (IMM) \$1m points of 100%				
Sept	88.53	88.64	88.50	88.49
LONDON				
Three-month Eurodollar \$1m points of 100%				
Sept	88.41	88.47	88.35	88.24
20-year Notional Gilt £50,000 32nds of 100%				
Sept	104–22	105–08	104–12	104–27

COMMODITIES

(London)	August 8	Prev
Silver (spot fixing)	578.95p	562.95p
Copper (cash)	£1,009.25	£1,002.00
Coffee (Sept)	£2,276.50	£2,256.50
Oil (spot Arabian light)	\$27.67	\$27.47

WALL STREET

Turbulent ride for airlines

THE newly regained strength of Wall Street stock markets did oot stand up to a further test yesterday. Buyers backed away in the latter half of the session, and prices moved downwards, still in hefty trading, *writes Terry Byland in New York.*

The Dow Jones industrial average dipped below 1200 to close a net 8.51 points down on the day at 1198.11. Turnover, at 122.4m sbares, was the lowest since the market commenced its upsurge but still beavy by previous standards.

Last week's gains in airline stocks were sharply reversed on fears of another round of price cutting.

The mixed trend in stocks contrasted with confidence in the bond market following a bighly satisfactory outcome to the first leg of the Treasury auctions.

Long-dated bonds gained nearly balf a point at one time, and optimism ahead of today's auction of \$4.75bn in 30-year federal bonds was boosted by the appearance of Japanese and other foreign buyers at Tuesday's sale of three-year notes. In pre-auction trading, the 30-year bonds held to a yield of 12.50 per cent.

The bond market was also belped by favourable comments on inflation and money supply from Mr Paul Volcker, the Federal Reserve cbairman at the House Foreign Affairs Committee.

Sbare trading remained heavy by all but the most recent standards, and there were new buyers as well as profit-takers in the market. However, the driving force of the institutions whicb fired the gains of last week was restrained.

The disclosure that People Express, the cheap airfare specialist, will offer flights on the lucrative New York-Chicago route this month reawakened fears of another round of the disastrous price-cutting wars which savaged the U.S. airline industry three years ago.

Stocks in several major carriers, including American Airlines, which faces direct competition on the Chicago route, made a delayed trading start after warnings from two brokerage bouses sparked a rush of selling orders.

AMR, holding company for American Airlines, opened at mid-morning, with the stock \$3⅛ down at \$27¾, and nearly 1½m shares traded within two hours.

But with industry analysts reported to be more bullish on prices, oil stocks were strong. Exxon at \$40¼ gained \$⅝, Atlantic Richfield added \$1⅛ to \$45⅞, Texaco added \$1⅛ to \$33⅞ and Philips Petroleum was \$1½ up at \$38⅞.

IBM sbed an early gain to stand unchanged at \$120, while other Dow component stocks to ease included General Motors, \$⅛ off at 75⅝, Merck £⅞ lower at \$86⅝ and Ford, \$⅛ down at \$45⅝.

Digital Equipment, second to IBM in the information processing industry, plunged \$4½ to \$91¾ in beavy trading on disappointment with the earnings statement. Another weak feature was E Systems, the defence electronics group, whicb slumped \$5½ to \$23¼ after E. F. Hutton, the brokerage bouse, downgraded profit forecasts for the group.

American Can, the consumer products group, eased \$1⅛ to \$45⅞ after the announcement that plans to issue 2m new sbares have been filed with the SEC.

But there were many firm features. Federal National Mortgage, the corporately funded leader of the mortgage market, added another \$¼ to \$13⅜. Renewed demand for rail issues took Union Pacific up \$1⅜ to \$40⅜.

In the credit sector, short-term ratea were able to ease a shade after several sessions of upward trends. The federal funds rate was sbaved to 11 7/16 per cent, and money market rates shed 10 basis points or so.

In the bond markets, gains were trimmed as traders settled down to await the outcome of the auction of \$5.5bn in 10-year Treasury securities. The key long bond of 2014, at 105 7/32, showed a net gain of 1/32.

LONDON

INSTITUTIONAL investors in London unleashed more of their pent-up funds yesterday as UK base interest rates were trimmed by a ½ percentage point. Long-dated gilts and index-linked issues rose a point while sborts gained as much as 13/16.

Leading equities were initially reluctant to follow the lead set by gilts until renewed beavy U.S. demand for Royal Dutcb, £2 up at £37¼, combined with rising crude oil prices to trigger sustained domestic support for many oil sbares. Shell jumped 28p to 620p, and BP rose 14p to 465p.

Interest spilled over into other blue chips, with early losses transformed into medium-sized gains. The FT Industrial Ordinary index, slightly off at midday, spurted to finish 8.5 up at 839.0, its highest level for over two months.

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AUSTRALIA

A MEASURE of confidence developed after a sbaky start to Sydney trading yesterday, with the All Ordinaries index closing 1 point higber at 729.4, largely due to buying support for leading resource issues.

BHP was 10 cents bigher at A\$10.80 although CSR dropped 4 cents to A\$3.32. Metals and golds saw Placer rise 50 cents to A\$17.80, CSR 8 ceots to A\$5.40, Comalco and Western Mining 5 cents each to A\$2.55 and A\$3.40 while EZ Industries gained 4 cents to A\$8.38.

Oil and gas-related stocks were generally weaker, as were banks, with ANZ 5 cents lower at A\$4.85 and Westpac 1 cent down at A\$3.92.

HONG KONG

THE LATEST round of Sino-British talks oo the future of Hong Kong induced many investors to remain on the sidelines during the regular balf-day session yesterday. The Hang Seng index reversed an early 4.45 loss to eod 8.64 up at 894.13.

China Ligbt gained 10 cents to HK\$12.20 on higher group electricity sales for the last nine months. Others to move abead were Cheung Kong, 20 cents up at HK\$8.15, and Hongkong Electric, 10 cents to HK\$5.85.

Banks were mixed, with Hang Seng Bank 25 cents down at HK\$31, wbile Hongkong Bank was steady at HK\$6.25.

SINGAPORE

THE TECHNICAL correction continued in Singapore yesterday with the Straits Times Index 10.91 down at 972.80. Further profit-taking is expected tomorrow after today's bourse boliday.

Pan Electric, 17 cents down at S\$2.99, was again the most actively traded share with 1.7m changing hands after a decision by the excbange to classify the company "designated security."

SOUTH AFRICA

THE PARTIAL recovery in the bullion price buoyed Johannesburg gold sbares again, with most other related sectors gaining confidence as a result.

Free State Geduld advanced 75 cents to R51.50 while Buffels put on 50 cents to R72.50. In mining financials, Anglo-American Corp rose 70 cents to R22.75.

EUROPE

Optimism gains the upper hand

DOUBTS over the outlook for interest rates and the impact of a firming dollar were shrugged off in many Eurnpean centres yesterday, and the bourses resumed their advance in the wake of Tuesday's setback.

Some surprise was expressed in **Frankfurt** at the way the market was apparcntly able to brush aside the traditional sentiment dampeners.

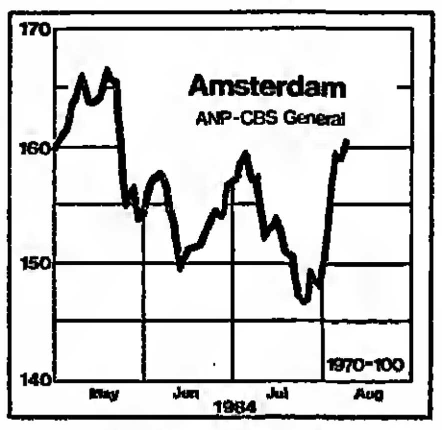
The Commerzbank index added 3.7 to 969.1, clawing back a little of the previous sessinn's 13.2 point fall.

Tbe advance was spearbeaded by the banking sector, which saw Commerzbank DM 4.50 ahead at DM 150 and Dresdner DM 5.30 firmer at DM 152.50.

A DM 2 decline for Deutsche Bank to DM 529.50 came as the bank floated a DM 750m, 4 per cent convertible bond.

Motor manufacturers returned to the advance after Tuesday's falls, while in electricals, Siemens put on DM 3 to DM 385, making up much of the previous two days' losses.

A DM 24.20 advance for PKI to DM 470 was attributed to strong demand in a tight market for a share currently seen as undervalued.



Bonds were generally firmer as the Bonn cabinet agreed on the need to remove coupon tax oo foreign holders of West German fixed interest domestic securities.

The Bundesbank sold DM 14m of paper Into the market after puchases the previous day totalling DM 7.1m.

The firmer dollar encouraged foreign Investors to return to the **Amsterdam** bourse and shares were higher in active trading. The ANP-CBS general index added 1.8 to 160.8.

Among major companies, Royal Dutch rose Fl 7.30 to Fl 158.60 ahead of balf-year results today

Banks regained popularity with ABN up Fl 6.50 to Fl 319.50 and NMB Fl 2.50 to Fl 136.50.

Bonds were steady to moderately bigber although volume remained fairly low.

Brussels recovered after the broad declines seen on Tuesday, led by a BFr 30 rise to BFr 8,770 for market leader Petrofina and advances for the ultilities sector.

The ACEC engineering group also added BFr 12 to BFr 702 in response to its part in a contract to build a metro line in Kuala Lumpur.

Paris improved in calm trading, with the OECD report nn the French economy containing few surprises for the market.

Zurich ended mixed after a ligbt trading session, with some cheap late buying paring earlier losses.

The performance of banks was irregular while in financials, the recently favoured Oerlikon-Bührle shed SwFr 20 to SwFr 1,200.

The bond market closed mixed, also in thin trading, with fears of further U.S. interest rate rises dampening the mood.

A selectively firmer trend was seen in **Milan** in moderately active trading, led by insurances and banks. Generali added L1,290 to L34,900. Leading industrials were generally easier.

An easier tone was seen in ligbt **Madrid** trading, with some of the sharpest declines seen in the steels sector.

Sweden was also slightly lower, although the motor manufacturers held unchanged through the session.

TOKYO

Speculatives return to spotlight

LEADING SHARES eased broadly in Tokyo yesterday following Wall Street's erratic performance overnight and the yen's further weakening against the dollar, *writes Shigeo Nishiwoki of Jiji Press.*

Reflecting the fading popularity of blue chips, biotechnology-based issues and some speculatives returned to the spotlight. But the market remained featureless throughout the day in slow trading.

The Nikkei-Dow market average weakened 66.51 to end at 10,247.12, with turnover estimated at 207.82m shares, down from Tuesday's 228.60m. Declines outnumbered advances 393 to 285, with 182 issues unchanged.

Motor manufacturers included exceptions to the lower trend in blue chips in thin trading. Honda Motor, which served as pace-setter early this week, dipped Y30 to Y1,410 oo sales by Japanese and foreign investors, while Toyota Motor firmed Y20 to Y1,440 and Mazda Motor Y12 to Y487.

Other blue chips declined due to a drop in their American Depositary Receipts (ADRs) in New York, with Matsushita Electric Industrial falling Y40 to Y1,640, Hitachi Y7 to Y841 and TDK Y90 to Y5,590.

Conversely, incentive-backed speculatives drew buyers' interest. Furukawa was the day's most heavily traded stock at 7.56m shares, but its price shed Y2 to Y403 after gaining Y15 at one stage on speculation about the possible commercial application of a process to extract a heavy metal from seawater.

The second largest volume of 6.28m shares was scored by Teijin, which rose Y18 to Y383 on revived investor expectations of its possible development of an anti-cancer drug.

Nippon Light Metal, by contrast, fell Y10 to Y218 on small-lot sales triggered by heavy institutional selling.

Foreign sell orders placed with major securities companies came to 21m shares against buy orders for 13m shares.

The bond market remained relatively firm as trust banks issued buy orders when prices weakened in response to the yen's decline against the dollar.

The yield on the barometer 7.3 per cent government bond maturing in January 1993 rose to 7.31 per cent from 7.30 per cent, before slipping back to 7.295 per cent.

CANADA

A STRONG performance by gold shares in Toronto largely offset a feeble base metal and mining sector. Hydrocarbon-related stocks also moved lower but not sufficiently to depress the overall tone of the session.

Similarly Montreal banks managed to provide a bright spot as utilities and industrials displayed early weakness.

INTL. COMPANIES & FINANCE

Hong Kong property developer in the red

By David Dodwell in Hong Kong

INTERNATIONAL City Holdings, the Hong Kong property development company controlled by Mr Li Kashing, yesterday revealed losses after exceptional and extraordinary items amounting to HK$458.36m (US$58.5m) in the six months to June 30, compared with a profit of HK$106.6m at the half-way stage a year ago.

The company said the deterioration resulted from the need to make provisions for "the diminution of land value" on properties for sale and others which make up fixed assets.

At the end of June, the company suffered a severe setback when Everbright Industrial, the Chinese company headed by Mr Wang Guangying, backed out of a HK$1bn deal agreed in January to buy 1,100 flats in Hong Kong's City Garden development.

Yesterday International City would not comment on suggestions that the exceptional provision of HK$372.1m was linked with the collapse of this deal. A further HK$136.6m extraordinary provision was made against a fall in the value of land which makes up fixed assets.

The company said it will pay no interim dividend.

It is understood that the decision by Everbright to withdraw its City Garden flats offer is currently the subject of a Securities Commission investigation. On cancellation, Everbright revealed a hitherto unpublicised agreement that it could withdraw within six months, recouping not just its 10 per cent deposit but also the interest earned on the deposit.

North Borneo Timbers ahead

SINGAPORE — The North Borneo Timber Company, the forest products group, yesterday announced a pre-tax profit of 14.3m ringgits (US$6.1m) for year ending May 1984, against 6.7m ringgits previously.

After tax group profits rose to 7.3m ringgits compared with 4.8m ringgits. A final dividend of 10 per cent less tax has been proposed.

North Borneo Timbers has invested in a joint venture in Sabah and is generally developing some 60,000 hectares of logged-over land in Brumas and Luasong.

AP-DJ

Japanese bank costs 'will rise with deregulation'

BY ROBERT COTTRELL IN TOKYO

JAPAN'S city banks will be raising almost half their funds at free-market interest rates within three years, compared with just over one-fifth of funds now, according to an analysis presented yesterday by Mr Kazuo Kida, chief economist of Sumitomo Bank.

Mr Kida, addressing a seminar on Japan's financial liberalisation, said that the city banks—Japan's large mainstream commercial banks—now pay market interest rates for only 21.8 per cent of their funds. The banks' regular time deposits are raised at low, fixed rates linked to the Bank of Japan's official discount rate. Market interest rates are payable only on funds which the banks raise through non-resident and foreign currency deposits; certificates of deposit; debenture issues; and call market money.

His estimates are based on the aggregate balance sheet of all 13 city banks at the end of March 1984; the Japanese Government's professed intention of liberalising interest rates on large deposits; and his own assumption that, within two to three years, amounts over Y10m ($41m) will be deemed "large" deposits and thus exempted from interest rate regulation.

Simple deregulation of large deposits would raise the proportion of funds raised at market rates to 42.3 per cent, said Mr Kida. But in practice, he believed, the proportion would be higher still, since market rates would attract additional funds out of demand deposits and into higher-yielding time deposits.

The raising of a higher proportion of funds at market interest rates is likely to squeeze banks' profit margins on straight lending business. Official estimates suggest that the limited degree of financial liberalisation already achieved in Japan contributed to a shrinkage of the gap between city banks' average short-term lending rate, and their average cost of funds, from around 3.5 percentage points in 1972 to 2 percentage points in 1983.

Bankers acknowledge that the liberalisation of Japan's financial structure, particularly of its interest rates, will create a more competitive environment, perhaps threatening less efficient institutions. In its report on the economy for the current financial year, published earlier this week, the Government's economic planning agency said it would be paying particular attention to the "soundness of the financial system and to the protection of investors."

Mr Kida said yesterday that, as Japan moves towards a regime of market interest rates, it will be necessary for banks to shift emphasis away from the simple expansion of deposits, and towards more sophisticated asset and liability management.

He believed that, with the deregulation of its financial markets, Japan would become within a decade the major international financial centre of Asia, eclipsing both Hong Kong and Singapore.

Tisco buys stake in metals group

BY R. C. MURTHY IN BOMBAY

TATA IRON and Steel Company (Tisco), India's largest private sector company, plans to acquire 11 per cent of Davy Ashmore India, an associate of Davy McKee of the UK.

Tisco has contracted to purchase from the British company 125,000 shares at Rs 17 each, and is awaiting Indian Government approval for the deal. The Davy shareholding in its India operations will be reduced to around 30 per cent.

The Calcutta-based Davy Ashmore India (Dail) manufactures equipment for the ferrous and non-ferrous metal industries and undertakes contracts for heavy plant construction. It made a net profit of Rs 4.86m ($421,000) for the year ended March, 1983. Tata is expected to strengthen Dail management and the possibility exists of a complete takeover of the company.

Tisco also proposes to purchase an ailing bearing manufacturing plant from Metal Box India, an associate of Metal Box of UK Mr R. H. Mody, Tisco's vice-chairman, says the bearing plant, which is being modernised, is expected to be turned round into the black in two years. Tisco bearings have a market within the Tata group, which makes trucks and materials handling equipment.

Mr J. R. D. Tata: sees bright prospects

The third area of diversification for Tisco is the takeover of Bombay-based Special Steels, a steel fabricating unit with a rolling mill facility. A Tisco subsidiary, Kalimati Investment, has taken a 57 per cent stake in Special Steels.

Tisco also plans to participate along with the Government of the northern state of Bihar in Kumardhubi Metals Castings and Engineering Company, which plans to restart production after a four-year shutdown.

The diversification plans are dovetailed into the Rs 4.5bn second phase of Tisco's modernisation plan, which includes installation of a 400,000 tonne modern bar and rod mill over the next five years. Specifications of the plant and product-mix are being finalised and international bids are to be invited for supply of equipment.

Mr J. R. D. Tata, Tisco chairman, says the second phase of modernisation is to be financed mainly from retained earnings and loans from the Steel Development Fund. The company may have to raise some foreign currency loans abroad to cover the cost of imported equipment.

Profits of Tisco were halved to Rs 200.1m in the year to March 1984, from Rs 448.7m the previous year. The turnover rose by 11.45 per cent to Rs 8.89bn against Rs 7.98bn.

The decline in profits was because of doubling of depreciation to Rs 431.4m after the Government revised the rate of depreciation provision to 10.6 per cent from 6.8 per cent. The dividend was maintained at 17 per cent.

Mr Tata says prospects for Tisco this year are bright. The Government announced in June a 15 per cent increase in steel prices for certain categories of steel.

Australian insurer posts 38% rise in earnings

BY LACHLAN DRUMMOND IN SYDNEY

NATIONAL Commercial Union boosted net earnings by 38 per cent from A$10.25m to A$14.2m (US$12m) in the year to June 30 after an improved underwriting performance and higher investment return.

The insurance group, in which both Commercial Union of the UK and National Mutual of Australia have a 46 per cent stake, saw its underwriting loss cut from A$10.8m to A$8m after the 24 per cent increase in net premium income to A$187m outstripped the growth in claims and other expenses.

Investment income totalled A$29.7m compared with A$27.7m and before tax earnings were ahead from A$16.9m to A$21.7m.

After counting in A$6.5m of extraordinary gains from the sale of investments and properties (A$139,000 last time) the attributable profit came to A$20.6m, almost double last year's A$10.4m.

The first and final dividend is up from 7.5 cents to 11 cents for a total payout of A$6.6m against A$4.5m.

● Promet, the diversified construction group, is to acquire half of Bousteadco Singapore's holding in Boustead Australia, the industrial machinery manufacturer and distributor, for A$2.43m (U.S.$2m), Reuter reports from Melbourne.

Promet will buy 3.59m Boustead Australia ordinary shares, equal to half Bousteadco's 84.4 per cent stake, for 40 cents each, and half the 20,000 12 per cent preference shares, now wholly owned by Bousteadco, for A$100.

$64m loan deal for China project

HONG KONG — A construction company in Hong Kong and two companies in China's Zhuhai special economic zone signed a U.S.$64m loan agreement with a bank syndicate for a joint development project in the economic zone, said Lloyds Bank International yesterday.

The project will be 40 per cent owned by Hong Kong-based Gladhover, 40 per cent by Nanhai Oil Zhuhai Special Economic Zone Development Services of China and 20 per cent by China Nanhai Oil Joint Services Corporation; also of China.

Lloyds Bank International is the lead manager and agent for the loan.

The loan is divided into two sections: $26.6m is to be used for construction of offices and apartments, and have a 10-year maturity and carry an annual interest rate of $\frac{7}{8}$ points over the London inter-bank offered rate (Libor) for the first five years and $\frac{3}{4}$ points over Libor thereafter; $37.2m, to be used for a deep water wharf, has a six-year maturity and carries an annual interest rate of $\frac{7}{8}$ points over Libor for the remaining years.

Other banks involved are: Arab Banking Corporation, Bank of China (Zhuhai Branch); C.T.B. Australia (HK),

INTERNATIONAL COMPANIES and FINANCE

UK COMPANIES

Van Doorne gearbox maker runs into production problems

BY WALTER ELLIS IN AMSTERDAM

VAN DOORNE Transmissie, the Dutch gearbox manufacturer, which has begun to market one of the most advanced automatic gear systems in the world, may face serious financial difficulties.

Production difficulties have emerged in connection with the new system, and management and workers have agreed on the need to restructure the company as a matter of urgency. New methods of mass production are needed if supply is to come anywhere near meeting demand.

Only 170 workers are currently employed at the main plant, at Tilburg in the south of the country, and it was expected that more could be taken on as the market for the system grew.

Ford, Fiat and General Motors have all made plans to incorporate the Van Doorne continuous shift system into their vehicles, and Subaru of Japan has also expressed interest.

Van Doorne is part controlled by Volvo Car of the Netherlands, but the Dutch state, Fiat and Borg Warner of the U.S. also have important stakes.

Development of the gearbox has so far cost about Fl 100m ($30m), and a statement speaks of the need for "far-reaching" improvements in efficiency. A study is to be carried out during the next few months, and reorganisation will be based on its recommendations.

It had been hoped to produce 25,000 continuous shift gearboxes this year, but this is now thought highly unlikely.

Ford and General Motors had already spoken of their intention to turn out gearboxes on their own, using parts supplied from Tilburg.

Renewed fare war fears hit U.S. airline shares

BY WILLIAM HALL IN NEW YORK

SHARES of U.S. airlines plunged in early trading on Wall Street yesterday as analysts predicted the outbreak of a renewed domestic air fare war and a further shakeout in the number of carriers.

The news that People Express, the fast growing cut price U.S. airline, plans this month to begin serving the New York to Chicago market, one of the busiest U.S. markets, was the main reason for the sharp sell-off in airlines stocks yesterday.

Analysts also note, however, that the summer traffic figures are less buoyant than they had expected and they fear that the combination of the new capacity now being introduced to the market and the slowdown in the economy next year will take its toll on some of the less financially strong carriers.

People Express is said to be planning to cut existing fares on the New York-Chicago route by around a third and will come into direct competition with American Airlines and United, the two biggest domestic carriers, which together offer over 40 flights a day to Chicago and similar fares.

People Express will offer between 12 and 13 flights a day and increase the capacity on the route by around a fifth.

The extension of the domestic fare war to the busy Chicago market is expected to squeeze margins of many of America's best known carriers.

The south west market is already facing pressure following the resumption of operations by Braniff and because of a fare battle between Muse Air and Southwest Airlines.

Against this background Wall Street analysts are predicting that some carriers will either go out of business or merge. Braniff, which restarted operations in March, is still only flying half full and losing money.

Yesterday it confirmed that it had held "cursory" talks about a possible merger with other airlines.

The airline, which was the biggest casualty of the deregulation of the U.S. airline industry, said, however, that it was not actively seeking a buyer.

Meanwhile, Northeastern International Airways, the Fort Lauderdale-based operator which boasts Sir Freddie Laker as one of its directors, is expected to announce a takeover bid for Air Florida today.

Air Florida, which filed for protection under Chapter 11 of the U.S. bankruptcy code on July 3, has been ordered to produce a viable plan to resume operations by August 27 or the U.S. bankruptcy court will appoint a trustee to oversee its operations.

Pressure for Danish bourse reform

By Hilary Barnes in Copenhagen

PRESSURE is building up for a reform of Danish stock exchange dealing practices following a decision by the supervisory authority to rule as illegal a computerised dealing system introduced last spring by Copenhagen stockbrokers.

The stock exchange authority claims that broking firms' system conflicts with the legislation under which the stock exchange was set up and which provides it with an exclusive right to deal publicly in shares and bonds and to list prices.

Under the Danish system, each share is called once a day and official prices established. Only the 27 Copenhagen stockbroking firms are allowed to deal on the stock exchange.

It is estimated, however, that over 90 per cent of actual trading in Danish securities takes place off the floor of the stock exchange, normally by telephone between financial institutions. Against this background, the official system is increasingly being seen as outmoded.

Mr Flemming Goldin of stockbroker Ludwig Kalckar introduced the computerised dealing system to make the off-bourse market more apparent.

His system is in principle similar to the computerised dealing system being considered for introduction on the London Stock Exchange.

Mr Goldin said: "For the past 30 or 40 years the problem of official bourse quotations has been solved by telephone trading. All I have done is to add a computer to the system." He is appealing against the bourse authority's decision. In the meantime, the trading system is still in use.

Mercury Securities in merger talks with stockjobber

BY ALEXANDER NICOLL IN LONDON

MERCURY Securities, the holding company for the British merchant bank S. G. Warburg, is holding preliminary merger talks with Akroyd & Smithers, the large UK stockjobber in which Mercury already has a 29.9 per cent holding.

A full combination of the two would create a powerful force in UK securities markets and would be along the lines of alliances arranged by other institutions in the City's current shake-up.

A merger would be barred at present by Stock Exchange membership rules. But combinations agreed by other firms – beyond the 29.9 per cent limit now allowed for an outside stake in an Exchange member – have been made conditional upon a relaxation of the limit.

Akroyd, the second largest jobber or market maker, disclosed that "tentative" talks were under way yesterday in order to dampen market speculation that a bid would be made for the jobbing firm. The share prices of both companies rose sharply during the morning.

Akroyd's statement, issued after consultation with Mercury, said any combination would be through a merger. "It is not envisaged that an offer would be made by one company for the other."

Share prices for both companies stiffended sharply higher. Mercury gained 28p to 483p, valuing its ordinary share capital at £210.3m ($273m) and Akroyd rose 20p to 475p, giving it a £108.4m market value.

Mercury and Akroyd were among the first to form a link during the current trend towards conglomerates designed to compete more effectively when the traditional barrier between broking and market-making breaks down soon as a result of the dismantling of fixed commission scales.

Mercury announced plans to take its stake in Akroyd last November. Since then, other leading jobbers have formed alliances with merchant or clearing banks and many stockbrokers have also found outside shareholders. The biggest jobber, Wedd Durlacher Mordaunt, has linked with Barclays Bank and stockbrokers de Zoete and Bevan.

Mercury and Akroyd have set up a New York joint venture, to deal in fixed interest securities and Akroyd also has an international dealing alliance with stockbrokers Rowe & Pitman.

The complex deal already completed between Mercury and Akroyd gave the jobbing firm an effective 8 per cent holding in Mercury through the issue of convertible loan stock. Each now has two non-executive directors on the other's board.

Initial $300m for BAH creditors

BY ALAN FRIEDMAN IN MILAN

THE 108 Euromarket bank creditors if Banco Ambrosiano Holding (BAH), the Luxembourg offshoot of the late Sig Roberto Calvi's Banco Ambrosiano gronp, will on Monday receive an initial payment of $300m from the UK accountants Touche Ross, the court appointed managers of BAH.

The Monday paymeat, made possible by a Luxembourg court of appeals ruling which clears the way for the liquidation of BAH, will represent around 50 per cent of outstanding claims from creditors. An additional $108m is expected to be paid to creditors over the next few months. Thus bringing the total payment to BAH creditors up to 67 per cent of their claims.

The $500m payment will include $152m paid over last month by the Vatican Bank. The Vatican Bank, which directly and indirectly controlled 10 of Ambrosiano's overseas dummy companies, has paid $240.9m. Touche Ross acknowledged last night that the Vatican payments had been transferred from New York, but said they were unaware of wbether the Vatican had been supplied with an American bank loan in order to make its Ambrosiano settlement.

Digital earnings up 13%

By Our New York Staff

DIGITAL EQUIPMENT (DEC), the world's second largest computer manufacturer, increased its fourth quarter pre-tax profits by 13 per cent to $125.7m on the back of a 34 per cent increase in revenues to $11.65bn, from $1.23bn.

The group's net income in its final three months to the end of June rose by 51 per cent from $86.02m or $1.51 a share, to $130.6m or $2.28, with the sharp rise being partly due to an adjustment in the group's effective tax rate.

For the full year DEC's pre-tax profits fell by $10m to $401m although revenues rose by 31 per cent to $5.58bn from $4.27bn. However, a $55.3m drop in the group's tax charge helped push net income 18 per cent higher to $328.8m, or $5.73 per share, against $283.62m or $5 in the 12 months to July 2 1983.

The company says that its healthy revenue growth reflects both a strong economic environment and a growing demand for its line of integration hardware products, services and networking software.

Mr Alfred Bertocchi, DEC's vice-president of finance, says that "while the industry is increasingly competitive we've made the investments in people, research and development and manufacturing capability to ensure the availability of a very exciting set of products and services."

Canadian group lifts profits at midway

BY BERNARD SIMON IN TORONTO

THOMSON NEWSPAPERS' Canada's largest newspaper publisher which also bas substantial U.S. interests, lifted half-year earnings to C$70.3m ($54m) from C$56.8m in the January to June 1983 period. Earnings per share moved up from C$1.15 to C$1.42 and revenues from C$340m to C$391.4m.

The company, which publisbes about 50 titles in North America, said the outlook for the rest of this year is favourable. It plans to continue its strategy of buying newspapers in the U.S. Three dailies have been added so far this year and further acquisitions are likely to be announced soon.

Thomson Newspapers is controlled by the Thomson family which also has interests, througb International Thomson, in British publishing, UK travel and North Sea oil.

● Dominion Textile, Canada's largest primary textile group with international operations, earned C$23.1m ($17.7m), or C$1.59 a share, in the year ended June 30 against C$19m, or C$1.41 a share.

Chubb and American Can plan share issues

BY TERRY BYLAND IN NEW YORK

TWO LARGE U.S. corporations yesterday announced plans for a public sbare offering totalling $162.5m, reflecting further the renewed confidence of the New York stock markets.

American Can, which markets a wide range of consumer and insurance products, has registered with the Securities and Exchange Commission (SEC) a proposed offering of 2m shares, while Chubb, the property and casualty insurance group, has filed to issue 1.5m shares.

Both issues will proceed as soon as SEC registration is completed, probably by early next week.

Pricing will be decided on the day of issue, but at current market quotations, the American Can issue, managed by Salomon Bros and Morgan Stanley, will raise $95m and Chubb's, managed by Goldman Sachs, $67.5m.

The oew issue market has lain dormant for several months while the U.S. stock markets have languished. The renewed vigour of the stock market suggests a healthier outlook for capital raising by corporations

Ekornes buys 75% of Swedish furniture group

BY FAY GJESTER IN OSLO

EKORNES FABRIKKER, one of Norway's leading furniture manufacturers, announced yesterday that it has bought a 75 per cent stake in a major Swedish furniture company, Ulferts Møbler, for an undisclosed price.

Both companies export a significant share of their output, largely to the same countries, and they have for some time been co-operating on the marketing side. Their product ranges are complementary, with Ulferts making fabric-upholstered furniture and cupboards and Ekornes specialising in its own design armchairs and leather-covered furniture.

Ekornes turnover in 1983 totalled NKr 350m ($41.8m) – 40 per cent of it from exports. These went mainly to the U.S., Sweden, Denmark and the UK. This year it expects exports to account for half its turnover. Ulferts' sales last year reached SKr 237m ($28.1m). Ekornes predicted that the combined sales this year would reach about NKr 700m.

Reshuffle at Utd. Brands

By Our New York Staff

MR CARL LINDNER, the private financier whose master company is American Financial Group, has been elected chairman of United Brands in a major management reshuffle.

Mr Lindner and his colleague, Mr Ronald Walker, are taking over as chairman and president respectively from Mr Seymour Milstein and Mr Paul Milstein, the New York real estate developers, who have been running the company since 1977.

BSC sells offshore yard to Trafalgar

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

BRITISH STEEL Corporation (BSC) yesterday announced that Trafalgar House, the constructioo, shipping and property company was paying £15m for the RGC offshore construction yard in Fife.

British Steel beld 91 per cent of the construction yard, which bas been highly successful in winning offshore orders. BSC had, in effect, however, promised first refusal on the eventual sale of its share both to Trafalgar House and to the minority sbareholders which comprise the Scottish Development Agency (SDA) and the North Sea Assets Investment Trust in Edinburgh.

The minority sbareholders said they bad been given first refusal on the whole yard as part of their original agreement to take an equity bolding.

Trafalgar House, however, said it was promised first refusal on RGC when it bought the RDL construction interest from BSC in 1982. At that time, RGC, formerly part of RDL, had been retained by BSC.

In the event, BSC agreed to buy out the 9 per cent minority interest from the Scottish holders for £1.575m before agreeing the sale to Trafalgar's Cleveland offshore subsidiary, a Teeside concern which produces North Sea rig modules.

Neither Trafalgar nor the two Scottish minority holders bad been prepared to give ground on the first refusal question for the past two years. Trafalgar has wanted to take over the yard to strengthen its position in offshore construction.

The SDA and North Sea Assets, however, wanted the company to remain indepeodent with BSC placing its 91 per cent bolding with Scottish institutions.

BSC would not comment on the payment. A joint statement with Trafalgar said that the yard had a book value of £8.5m and that BSC and the two minority shareholders bad received a dividend of £8m for the past year.

N. AMERICAN QUARTERLY RESULTS

ALGOMA STEEL
Steelworks

Second quarter	1984 C$	1983 C$
Revenue	269.8m	212.4m
Net profits	13.24m	†32.32m
Net per share	0.53	†2.45
Six months		
Revenue	582.3m	381.2m
Net profits	†21.43m	†64.82m
Net per share	†2.11	†4.94

† Loss

CANADA DEVELOPMENT
Investment holding company

Second quarter	1984 C$	1983 C$
Revenue	1.06bn	985.4m
Net profits	*28.2m	†12m
Net per share	0.41	†0.62
Six months		
Revenue	2.07bn	1.96bn
Net profits	*27.6m	†45.8m
Net per share	0.13	†1.91

* Includes $11.5m extraordinary gain. † Loss

ENSTAR
Oil & gas exploration

Second quarter	1984 $	1983 $
Revenue	101.4m	58.8m
Net profits	14.8m	1.9m
Net per share	0.19	0.09
Six months		
Revenue	212.8m	152.6m
Net profits	†14.3m	13.2m
Net per share	0.54	0.58

† Loss

TRANSCANADA PIPELINES
Natural gas transmission

Second quarter	1984 C$	1983 C$
Revenue	999.6m	715.8m
Net profits	50.9m	38.7m
Net per share	0.55	0.43
Six months		
Revenue	2.22bn	1.54bn
Net profits	101.2m	85.1m
Net per share	1.10	0.85

UK COMPANY NEWS

44% profit growth for Marley in first half

CURRENT YEAR'S profit well in excess of the £28m achieved in 1983 is forecast by Marley, which manufactures and retails building products.

At the interim stage the pre-tax figure has advanced from £10.27m to £14.8m, or nearly 44 per cent. The second half may be affected by maintenance of the recent increase in interest and mortgage rates; the period is not expected to show the same proportionate increase as last year but the directors are confident of good growth over the 12 months.

In the first half of 1984 turnover moved ahead from £236.3m to £267.3m and the operating profit from £15.77m to £20.45m, with the UK accounting for £177.5m (£156.5m) and £15.42m (£12.34m) and overseas £89.8m (£79.69m) and £5.04m (£3.43m) respectively. The interim dividend is being raised to 1.4p net (1.2p) and shareholders will again have the option of taking shares in lieu of cash—full details will be circulated on August 24. Paying the interim entirely in cash would cost £2.9m (£2.47m).

After tax £8.84m (£4.36m) and minorities £19,000 (£117,000), the net attributable profit came to £7.94m (£5.79m). Earnings are 3.9p (2.8p) per share. The profits reflect the full cost, some £310,000, of the issue in June of the £25m debenture stock 2009, the proceeds of which are being applied in repaying short-term variable rate debt.

Mr Jack Aisher

Mr Jack Aisher, chairman, says favourable weather and buoyant consumer spending resulted in roof tile deliveries showing further gains of 14 per cent. Sales in D-I-Y and plumbing operations were also well in advance of last year and substantial expansion is in hand in both these sectors. At the same time, penetration of the roofing market is being extended through a growing network of roofing centres and stockists.

Principal subsidiaries in Continental Europe continue to do well and CPI in Ireland made a small profit in difficult trading conditions. In the U.S., roofing and plastics have still to make a worthwhile contribution but, with the recent addition of Republic Molding and Salton and a second roofing plant, prospects are encouraging, he says.

South Africa continued to demonstrate its excellence but interest rates in excess of 25 per cent could make immediate progress in local currency terms harder to achieve, a problem which can only be compounded by any continuing weakness in the rand.

Contribution from related companies (loss £94,000 against profit £287,000) was depressed by losses in South America arising from high inflation and the underlying weakness of the economies.

See Lex

Control Securities falls but is confident for current year

A FURTHER setback in the second six months left pre-tax profits of Control Securities £107,000 down at £1.33m for the full year to March 31 1984.

At six months the directors reported a £50,000 shortfall but taking transactions in hand at that time they were "fairly confident" that the results for the year would again show an increase.

Turnover for 1983-84 improved to £6.51m (£5.36m) but gross profits were virtually unchanged at £2.14m (£2.13m). The group's activities are in property development and investment.

Pre-tax profits were struck after deducting £482,924 (£434,938) for administration expenses and £518,320 (£474,638) interest charges. Included were associated company profits of £242,417 (£258,312).

Tax took less at £277,340 (£317,119), minorities accounted for £1,163 (£1,350) and extraordinary items added £1,100 this time.

Earnings emerged at 5.26p (6.05p) and a same-again final dividend of 1.575p holds the net total at 3.15p per 10p share.

In their preliminary statement the directors say they look forward to the current year results of the property division with confidence and hold out "great expectations" from the group's other investments.

All disposals made during the past year have resulted in a profit, "not only over acquisition costs but where applicable, valuation figures."

The group has purchased through its general investment subsidiaries, a further 4.58m ordinary shares in Tunax Resources NL, an Australian gold producing group, for a total consideration of £552,050.

The purchase lifts the group's stake in Tunax to 9.04 per cent — it acquired 1.75m (2.5 per cent) shares in the company last week for £245,000 in shares.

Tunax owns a carbon in pulp gold production plant in Kalgoorl, which has the capacity to process up to 50 tons per hour of suitable ore.

Control Securities believes its recently announced investments in Hydromet Mineral, a high technology company specialising in the extraction of precious metals from ore, and Tunax, creata a complementary portfolio giving tha group an excellent balance between tha extraction and production of precious metals — especially gold.

● comment

Control Securities' profits slide was foreshadowed at the interim stage, the main problem being a delayed property development sale, which should have contributed a clear profit of about £500,000, leaving the year-end result 26 per cent up instead of 7 per cent down. Meanwhile, the growth in rental income has tailed off, from the previous year's 23 per cent to 12.5 per cent, while administration expenses and the interest bill have risen marginally. If the property market is still half asleep, however, Control's investment division — which accounts for just £2.7m of its £13m book net assets — is showing a welcome friskiness. Hydromet Minerals and its Australian associate Tunax Resources, in which Control holds 13 per cent and 9 per cent stakes respectively, are making waves in the mining industry with a highly efficient cost-saving process for extracting gold from ore. It would not be surprising to see Control build up those holdings further. With the shares down 2p to 40p, an 11.7 per cent yield from a 1.7 times covered dividend is a decent compensation for lack-lustre trading results.

Robt. Lowe to close Swansea factory

A COLLAPSE in demand from Continental Europe has led the directors of clothing manufacturer Robert H. Lowe to the "prudent an unnecessary" decision to close the garment-making factory at Swansea.

Chairman and chief executive Mr Tony Cameron explains that production capacity reserved for major Continental sportswear customers failed to materialise into firm orders causing under-utilisation and consequent heavy losses at Swansea. Closure, redundancy and planned rundown costs could be up to £500,000.

With unsettled trading conditions prevailing in Europe, this "costly decision" was necessary, as the prime objective remains the restoration of the group to long-term profitability.

The group is based in Congleton, Cheshire, and makes sports, leisure, children's and ladies' wear for customers such as Marks & Spencer, British Home Stores and is the principal UK manufacturer for Adidas brand.

Mr Cameron says the problem at Swansea was a disappointment, as the group overall has shown an improvement in the half-year ended April 27, 1984, turning in a trading profit of £3,000 (loss £108,000) and cutting its pre-tax deficit from £115,000 to £39,000. The costs at Swansea will have an adverse impact on the second half, and the interim dividend is again being passed as it was essential to conserve the liquid resources for after the closure.

Management action taken in the latter part of 1983 created the base for the half-time improvement, Mr Cameron says. The group has begun to respond to the introduction of profit centres with increased production efficiencies and the high-lighting of the principal problem areas which have been inherent for a long time. The chainstore and UK sportswear business produced better results and the transfer printing side made a small profit.

In the fabric production area, a joint venture arrangement has been made with a private Scottish knitting company equipped with machines incorporating the latest technological advancements. This entails withdrawal from the loss-making fabric production unit at Congleton. For the group it will ensure continuity of supply at competitive prices while providing fabric innovation for future business.

In the year ended October 28 1983 the group incurred a loss of £399,000, before crediting tax of £50,000. To this was added an extraordinary charge of £492,000 for rationalisation expenses referring to the curtailment of the transfer printing business, other reorganisation costs and plant write-off.

Eric Short on the insurance group's deepening problems

£6.1m loss for Commercial Union

THE LEADING UK composite insurance group Commercial Union Assurance shocked the market yesterday by announcing a pre-tax loss of £6.1m for the second quarter, which, added to the first-quarter loss of £5.4m, resulted in a £14.5m loss for the first six months, against a £30.4m profit for the first half of last year.

Tax and minorities swell the loss from operations to £19.1m compared with a £18.2m profit last year but CU manage to get the bottom line attributable to shareholders into a £8.4m profit by crediting £27.5m of realised investment gains. This is one-fifth of last year's attributable profit of £43.3m.

Shareholders' funds are cut from £1.05bn at the end of 1983 to £933m at end June 1984 and the solvency margin drops to 47 per cent from 56 per cent.

The market was hoping that CU would at least make up the first quarter deficit in the second quarter. Instead, losses have increased.

Yet despite this catastrophic scenario, CU is holding the interim dividend unchanged at 4.85p as expected. But for the first time, chief executive Mr Cecil Harris has introduced a note of caution about the final being maintained.

The total underwriting loss on its worldwide business amounted to £173.1m, against £124.3m for the first half of last year. The U.S. loss of £105.9m against £98.1m last year on the fece of it seems par for the course. The main deterioration came in the UK, where losses nearly trioled from £17.4m to £49.7m and to a lesser extent Canada where a £1.5m profit last year slipped to a £6.9m loss.

HIGHLIGHTS

Lex looks at the latest figures from Commercial Union where the interim result has dived into a £14.5m loss—a figure much worse than expectations. The company is now laying plans to shrink its U.S. business while doubts are being cast over its ability to maintain a final payout. Interest rates were the main talking point in the market yesterday as the Bank of England moved to endorse the market's inclination towards lower rates. The clearing banks fell into line and another ½ point cut looks possible. Finally the column looks at the figures from Marley and raises a question mark over the ability of the new management to ride out the next cycle.

The U.S. accounts for nealy 50 per cent of CU's worldwide non-life premium income. The insurance industry there has been in the grips of the severest downturn ever seen in the insurance business. Half-yearly figures from the major U.S. domestic companies have reported operating ratios of up to 125-130 per cent.

Thus CU's ratio of 118.7 per cent—marginally better than for the first half of 1983—would indicate some success from CU in fighting the trend.

But the company has exercised its option under last year's reinsurance agreement with North American Re—a member of the Swiss Re Group—to purchase another $100m of cover for $37m, an extension to last year's reinsurance arrangement.

The latest purchase strengthened reserves by some 4 per cent at the cost of loss of future investment income.

Experienre in commercial lines in the U.S. continued to worsen, despite increased rates, and heavier than usual catastrophe losses in the second quarter hit personal lines. Mr Harris pledged to continue increasing premium rates.

The effects of the rationalisation and reorganisation programme started some years ago are now showing through. Premium income in the half-year dropped 4.1 per cent from $721m to $692m with a near 12 per cent fall in commercial line premiums from $317m to $280m.

The expense ratio fell from 33.8 per cent to 32.2 per cent, reflecting in part a 20 per cent cut in staff numbers since the beginning of 1982.

The underlying trend of UK market conditions has been weak, especially in commercial business, with intense competition keeping down rates. CU experience so far this year has been that the situation has worsened despite increasing premium rates and reducing operating expenses.

Fire damage claims have risen sharply—in line with the industry experience, with the CU reporting 37 cases where damage exceeded £100,000 against 24 last year. Employers' and general liability business was hit in the second quarter, with the number of claims on employers' liability rising sharply.

On top of this underlying trend, there has been a series of natural disasters. Here was the severe winter weather in the first quarter and CU has been hit by a growing number of subsidence claims. The latter has already cost CU £6.1m—£3.4m up on last year.

In past years, an insurance company's investment income has covered underwriting losses. But not only have CU's losses climbed rapidly; it has cut back on investment income growth by using some of its assets to buy cover in the reinsurance agreement. Investment income thus fel by 6 per cent in real terms leading to pre-tax losses, with the U.S. and UK both having negative cash flows in the half year. Buoyant life profits failed to bridge the gap.

However, the market's concern centred not on these results but on a statement from Mr Harris that "we are not guaranteeing maintenance on the final dividend nor indicating its likelihood of being reduced." He pointed out that the dividend decision would not be made until next February when it should be clear whether prospects indicated a material improvement in the trading position.

Thus the share price, which held up well on publication of the results early yesterday, fell sharply once news of this statement reached the market. It finished 11p lower at 193p. But even at this level, the price is being pushed up by bid prospects.

See Lex

Buoyant conditions help M. Page to £0.5m so far

PRE-TAX RESULTS for tha first half of 1984, showing a 123 per cent rise for Michael Page Partnership, "reflects e very satisfactory performance by the group as e whole," eccording to the directors of this recruitment consultant, specialising in accounting and finance.

The £511,000 surplus in the period to June 30 compares with £229,000 last time, and is already approaching the £563,000 made in the last full financial period. The result then exceeded by some £48,000 the forecast made at the time of the company's admission to the USM last November.

As indicated in the prospectus, the directors intend to pay a final dividend only in May of each year. Last year's final of 3.5p net was one quarter of tha rata the directors would have expected had the company's listing run for a full year.

The taxable surplus was achieved on turnover which increased by 80 per cent from £1.05m to £1.89m in an executive recruitment market which has been particularly buoyant since mid-1983, state tha directors. Operating profit cama out at £471,000 against £218,000, to which investment and other income added £29,000 more at £40,000.

The tax charge was up from £128,000 to £236,000, to ieave net profits at £275,000 (£101,000).

All the group's established operating divisions are making a significant contribution to profits and tha market development and regional expansion programme is progressing well. A new Bristol office opened on July 2 on schedule.

The directors add that, "in continuing to recognise the importance of motivating and rewarding senior employees," it is their intention to put before shareholders, later this year, proposals for a oew approved executiva share option scheme.

● comment

Such is the kudos of going public. Instead of having to tout for business, the telephone nevar stops ringing, which must explain much of the impressive halftime profits rise at Michael Page. To put this extraordinary factor into perspective is difficult, but taken against a buoyant market for executive recruitment and rising salaries (on which thhe company's fees are based), MP's 80 per cent rise in turnover represents a healthy voluma gain in anyone's language even after the business from new locations is taken into account. What is clear is that the timing of the company's public debut has been impeccable, coming when their market is on an upward trend. Of course the likes of Brook Street Bureau, Alfred Marks and Reed Executive should he a reminder that the recuritment business can also have its periodic sloughs, but for the moent MP is riding a wave. At least the same again should be possible in the second half which puts the 152p shares, up 7p, on a prospective p/e of over 15, which looks about right.

Substantial rise pushes PSIT over £4m mark

A NEAR £1m advance to pre-tax profits for the year ended March 31 1984 has been achieved by Property Security Investment Trust, which is engaged in property and share investment and dealing. The final dividend is tha promised 1.5p for a net total of 2.25p, against the equivalent of 1.8p adjusting for the one-for-four scrip issue.

The directors have concentrated activities on pre-lets and, where appropriate, hava added to the land bank. Even after writing off interest and outgoings, this bas produced results which they feel are satisfactory.

Speculative developments continue to be limited, but, when they can be increased, the company is in a "strong position" to act promptly and effectively with its land bank and financial facilities. Apart from new developments, there hava been negotiations with tenants for new leases, transfers to largeer premises and re-lettings.

Tha year'a profit was struck after interest charges £3.23m (£3.44m) and administration expenses £253,000 (£367,000), and included a dealing profit of £558,000 (£562,000). The tax charge is £378,000 (£498,000).

Holdings of stocks and bonds continue at a high level, the directors state. These provided the greater part of the dealing profit and will probably do so in the current year.

Investment properties are reviewed annually. On this occasion this bas been done by the company's staff and the new values are incorporated in the balance sheet. Allowing for the market value of dealing properties and quoted securities, the net asset value of tha ordinary shares at March 31 was 170p each.

Development in the UK during the year included completion of the extension for Marks & Spencer at Tyne Tunnel, commencement of a prelet warehouse of 100,000 sq ft at Gravesend and roadworks at Andover.

Negotiations on tha industrial land at Basingstoke are continuing and a detailed planning application has been made in respect of a large unit designed for a specific user.

Hollis Bros £0.5m midway

IN THE first half of 1984, Hollis Bros & ESA has made a profit of £504,000, against £83,000 previously, and tha directors are "very confident" that the group will continue to grow and increase its profitability in this and future years. At tha moment the company is not in a position to resume dividends despita the addition of £1.2m to shareholders' funds.

A subsidiary of Pergamon Press, the group is engaged in timber importing, plastic moulding, educational and contract furniture manufacturing. Order books continua to rise substantially across the entire range of activities, the directors say. Recent successes includa the supply of some £3m worth of laboratory equipment to Oman and £4m worth of fittings to the Hepworth Group shops.

Turnover in the half year expanded by £4.2m to £14.79m, and the operating profit was up from £437,000 to £984,000. There is a tax credit of £750,000 (£442,000) and an extraordinary debit of £41,000 (£896,000). Earnings are 2p (0.9p) per share.

DIVIDENDS ANNOUNCED

		Current payment	Dete of payment	Corre-sponding div.	Total for year	Total last year
Sidney C. Banks		5.25	—	5	8	7.5
Britannic Ass	int	8.5¶	Oct 1	6.70	—	21.8
Commercial Union	int	4.85	—	4.85	—	11.8
Control Securities‡		1.58	—	1.58	3.15	3.15
English & NY Tst	int	1	Oct 1	1	—	2.3
Ewart New Norther		3	Oct 26	3	4	4
Gnome Photographic		5.25	—	4.5	5.25	4.5
Marley	int	1.4	Otc 1	1.2	—	3.2
Property Security		1.5	—	1.2*	2.25	1.8*

Dividends shown pence per shara nat except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Interim raised to reduce disparity with final.

BASE LENDING RATES

A.B.N. Bank	11½%	■ Hill Samuel	§12 %
Allied Irish Bank	12 %	C. Hoare & Co.	†12 %
Amro Bank	12 %	Hongkong & Shanghai	11½%
Henry Ansbacher	12 %	Kingsnorth Trust Ltd.	10 %
Armco Trust Limited	12 %	Knowsley & Co. Ltd.	12½%
Associates Cap. Corp.	12 %	Lloyds Bank	11½%
Banco de Bilbao	12 %	Mallinhall Limited	12 %
Bank Hapoalim BM	12 %	Edward Manson & Co.	13 %
BCCI	12 %	Meghraj and Sons Ltd.	11½%
Bank of Ireland	12 %	Midland Bank	11½%
Bank of Cyprus	12 %	■ Morgan Grenfell	11½%
Bank of India	12 %	National Bk. of Kuwait	11½%
Bank of Scotland	11½%	National Girobank	12 %
Banque Belge Ltd.	12 %	National Westminster	11½%
Barclays Bank	11½%	Norwich Gen. Tst	12 %
Beneficial Trust Ltd.	13 %	People's Tst. & Sv. Ltd.	13 %
Brit. Bank of Mid. East	11½%	R. Raphael & Sons	11½%
■ Brown Shipley	11½%	P. S. Refson & Co.	12 %
CL Bank Nederland	11½%	Roxburghe Guarantee	12½%
Canada Permn't Trust	11½%	Royal Trust Co. Canada	12 %
Cayzer Ltd.	12 %	■ J Henry Schroder Wagg	12 %
Cedar Holdings	12 %	Standard Chartered	‖11½%
■ Charterhouse Japhet	12 %	Trade Dev. Bank	12 %
Choulartons	12½%	TCB	11½%
Citibank NA	12 %	Trustee Savings Bank	12 %
Citibank Savings	¶12 %	United Bank of Kuwait	11½%
Clydesdale Bank	12 %	United Mizrahi Bank	11½%
C. E. Coates & Co. Ltd	12½%	Volkskas Limited	12 %
Comm. Bk. N. East	12 %	Westpac Banking Corp.	12 %
Consolidated Credits	12 %	Whiteaway Laidlaw	12½%
Co-operative Bank	*12 %	Williams & Glyn's	11½%
The Cyprus Popular Bk.	12 %	Wintrust Secs. Ltd.	12 %
Dunbar & Co. Ltd	12 %	Yorkshire Bank	11½%
Duncan Lawrie	11½%		
E. T. Trust	12½%		
Exeter Trust Ltd.	12 %		
First Nat. Fin. Corp.	14½%		
First Nat. Secs. Ltd.	13 %		
■ Robert Fleming & Co.	11½%		
Robert Fraser	12½%		
Grindlays Bank	‡11½%		
■ Guinness Mahon	11½%		
■ Hambros Bank	12 %		
Heritable & Gen. Trust	12 %		

■ Member of the Accepting Houses Committee.
* 7-day deposits 8.75%. 1-month 9.50%. Fixed rate 12 months £2,500 10.75% £10,000. 12 months 11%.
† 7 day deposits on sums of under £10,000 8¾%. £10,000 up to £50,000 9¼%. £50,000 and over 10%.
‡ Call deposits £1,000 and over 8½%.
‖ 21-day deposits over £1,000 8½%.
§ Demand deposits 8¾%.
¶ Mortgage base rate.

Public Works Loan Board rates

Effective August 8

Years	Quota loans repaid by EIP†	A‡	at maturity§	Non-quota loans A* repaid by EIP†	A‡	at maturity§
I	—	—	11½	—	—	12½
Over 1, up to 2	12	12	12½	13	13	13
Over 2, up to 3	12½	12½	12½	13½	13½	13½
Over 3, up to 4	12⅝	12½	12¾	13⅝	13½	13⅝
Over 4, up to 5	12¾	12½	12¾	13¾	13⅝	13¾
Over 5, up to 6	12⅞	12⅝	12⅞	13¾	13⅝	13⅝
Over 6, up to 7	12⅞	12¾	12⅞	13¾	13¾	13⅝
Over 7, up to 8	12¾	12¾	12⅞	13¾	13½	13½
Over 8, up to 9	12¾	12¾	12½	13¾	13¾	13
Over 9, up to 10	12⅞	12⅞	12½	13½	13½	12⅞
Over 10, up to 15	12⅞	12⅞	11⅞	12⅞	12⅞	12½
Over 15, up to 25	12	11⅞	11⅝	12½	12½	11⅞
Over 25	11½	11¼	11½	12	11¾	11½

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

BIDS AND DEALS

GKN in £25m placing to balance Beck acquisition

BY ALEXANDER NICOLL

Guest, Keen and Nettlefolds, the engineering group, is backing its acquisition of Beck/Arnley, a U.S. motor parts distributor, with a £25.3m share placing.

The purchase of the U.S. firm will be financed through dollar borrowings. But GKN is making the UK share placing as a "back-to-back" arrangement designed to have a compensating effect on its balance sheet.

Morgan Grenfell plans to subscribe to 15.8m new GKN shares and place them with institutional investors at 160p each. The new shares, which will not rank for this year's interim dividend, will represent 6.7 per cent of the enlarged share capital. Rowe & Pitman are brokers to the placing.

GKN shares were unchanged yesterday at 172p, valuing the existing capital at £380.2m.

The placing is conditional on approval by GKN shareholders at an EGM.

The £24.98m acquisition of Beck/Arnley will now go ahead following expiry of the waiting period prescribed by U.S. anti-trust law.

GKN offered Beck shareholders US$15 per share in cash in an agreed bid, and received acceptances representing 74.9 per cent of Beck. It will compulsorily acquire the remainder.

GKN, which on Monday itself reported a sharp increase in its first half profits, said Beck's pre-tax profits rose to $3m in first-half 1984 from $2.2m in the same period of 1983. Sales rose from $20m to $25m. Earnings per share rose to 71 cents from 54 cents.

Beck imports and distributes replacement parts for imported cars and light trucks, and also "refurbishes" used parts. GKN already has a U.S. subsidiary, Parts Industries Corp, in the same field, with annual sales of over $300m.

Expansion in Australia by Thomas French

For some £1.13m, Thomas French and Sons has contracted to make an acquisition in Australia which will give it a greater market share and provide opportunities for improvement in profitability. French makes curtain styling and narrow fabric products.

Through its subsidiary Thomas French and Sons (Australia), it is to purchase the assets, other than debtors, and assume the liabilities of the Australian subsidiary of Newell Cos Inc of the U.S. which manufactures distributes household furnishings throughout Australia.

Consideration for the company — New Products Company — is some £1.13m of which £158,000 is payable on completion. The balance is due in equal instalments of £194,000 on the anniversary over five years. Interest will be charged at 2.25 per cent on the reducing balance.

Final consideration will be fixed at completion and will be adjusted upwards in the event that the net tangible assets acquired exceed £715,000, or downwards on a shortfall.

The Newell product range is similar to that of French and will bring with it a number of additional lines. Newell sells to a wide range of customers and will add some significant major new accounts. It made profits of £320,000 in 1983.

Wates revives two insurers

Wates, the building and construction group, has given new life to two virtually moribund insurance companies with the formation of Criterion Assurance Group.

This new insurance company will have two operations — Criterion Insurance Company, offering accident and health insurance, and Criterion Life Assurance, offering linked life and pension contracts.

Criterion Life was formerly Lifeguard Assurance — a life company previous owned mainly by Lloyd's insurance broking groups. It was a traditional life company which ran into problems in the mid-1970s and had not traded since then.

However, under the chairmanship of Mr Victor Wood, Lifeguard had become a profitable operation as a closed company and was bought by Wates last year.

The £10m with-profit fund of Criterion Life has been separated from the rest of the business and will be run as a closed fund. The remaining £40m fund will form the base for expansion into the linked market.

Criterion Insurance has been trading within the Wates Group as Multiple Health for some years, being bought by Wates a few years ago from the merchant banking group Charterhouse. The company, then known as Charterhouse Magna, was a small operation doing mainly guaranteed income bond business.

Criterion's operations have been completely revamped under the new chief executive Mr David Morris. He was previously with Abbey Life being responsible for both Abbey's broker and direct sales operations.

The head office of Criterion will be at the previous headquarters of Lifeguard in Petersfield, Hampshire.

BIDS AND DEALS IN BRIEF

GEC has sold, on August 3, 6,965 shares at 200p, on behalf of a fund under the discretionary management of Warburg Investment Management, whose parent company is financial adviser to GEC. Such funds are deemed to be associated with GEC.

* * *

A total of 180,809 shares in Lloyds Bank were sold on August 3 and August 6 on behalf of funds under the discretionary management of Warburg Investment Management, whose parent is financial adviser to Lloyds & Scottish. Under the City Code on Takeovers and Mergers such funds are deemed associated with Lloyds & Scottish.

* * *

Abbey Quilting has acquired the Manchester-based ultrasonic quilted mattress protector division of Threlfs from the receivers, Thornton Baker & Co. Production and sales have been transferred to the Abbey Works at Dagenham, Essex.

* * *

Following approaches from Promet Berhad, agreement has been reached whereby Boustead Company Singapore will sell half of its holding in Boustead Australia (BAL) to Promet for a total consideration of some Singapore $4.4m (£1.55m), payable wholly in cash.

Agreement has now been reached to sell 3,585,592 ordinary shares in BAL (42.2 per cent) at Australian 40 cents per share, and 10,000 12 per cent Redeemable Preference (50 per cent) et A$100 per share. Promet will also maka an ex-gratia cash payment to ordinary holders in BAL, other than Boustead Company, of 10 cents per share.

As at end-1983 BAL had a net asset value of A$5.4m, having incurred a loss before tax of A$1.4m.

* * *

Mr John Lawrence, chairman of KLP Group, giving details of the acquisition of the freehold property at 1, Craven Hill, London, W2, reported that trading remained buoyant and the prospects for the group have been enhanced by the recent major account gains announced in the interim statement.

* * *

Fenchurch Insurance Holdings, a part of the Guinness Peat group, and Mr Basim Faris, announce the formation of a joint venture, Fenchurch Faris. The company will undertake insurance and reinsurance consultancy, management, broking and agency operations in the Arab Middle East. A presence will be established in several cities in the Middle East in the near future.

* * *

Bajau has purchased 225,000 shares in Glanfield Lawrence from C. Selmes. The holding of Bajau and its associates remains the same.

* * *

On August 7, 17,056 shares in Grand Metropolitan were sold at 306p on behalf of a fund under the discretionary management of Warburg Investment Management, whose parent company is financial adviser to Grand Metropolitan. Such funds are accordingly deemed, under the City Code on Take-overs and Mergers, to be associated with Grand Metropolitan.

* * *

On August 7, 175,000 shares in Argyll Group were sold, at 162p, and 75,000 shares at 164p, on behalf of funds under the discretionary management of Warburg Investment Management, whose parent is financial adviser to Amos Hinton and Sons. Such funds are accordingly deemed, under the City Code on Takeovers and Mergers, to be associated with Hinton and Sons.

* * *

Webzer Holdings, an investment and property company, is acquiring Kesley Properties for £2.6m cash. Since May, Weber has been 66 per cent owned by Wellington Estates, a Manchester-based private property investment company.

Kesley has 114 residential investment properties and 19 commercial units. Weber plans to dispose of 12 vacant residential Kesley properties as well as low-yielding investment properties.

* * *

The senior management of Spencer (Banbury), in association with Otto Thamert, Textil- und Kunststoff GmbH & Co. KG, of Hanover, and Electra Risk Capital have purchased from BTR the entire shareholding of Spencer. Spencer was part of the InterMed Group of Thomas Tilling acquired hy BTR last year.

* * *

At is own request, tho listing of Castle Brand has been temporarily suspended pending clarification of its financial position. The company is an Eire-based maker of chrome plate and aluminium ware.

* * *

Fordham Bathrooms and Kitchens, the Wolverhampton-based manufacturer, has acquired the assets and stock of Vernon Tutbury, the Burton on Trent-based pottery company, for an undisclosed sum. Vernon Tutbury manufacture a range of ceramic sanitaryware, concentrated mainly at the luxury end of the market. Fordham is part of the Hepworth Plastics Division of the Hepworth Ceramic Group.

* * *

Law Land, on August 8, purchased 710 of its own shares at 125½p per share, making a total of 187,592 shares to date.

* * *

The offer on behalf of Bridgend Processes to acquire all the share capital of H. Woodward and Son have become unconditional in all respects.

Acceptances have been received in respect of 91.4 per cent of Woodward's ordinary share capital (represented by 2.2m new ordinary shares and 2.2m deferred ordinary shares). Six per cent acceptances are in respect of the Bridgend share offer, and 94 per cent in respect of the cash alternative.

Acceptances have been received in respect of 100 per cent of the preference share capital (represented by 17,500 preference shares).

COMPANY NEWS IN BRIEF

Mr Paul Morgan, chairman of Morgan Communications, told the AGM that both turnover and profits in the current year were appreciably higher than those for the corresponding period a year ago.

He said the directors anticipated another year of growth and "excellent results" for the full year were confidently expected.

In the year to March 31 1984 pre-tax profits of the group, a publisher of free weekly newspapers, more than doubled those of the previous year et £506,000.

* * *

Following a first half in which tha pre-tax profit of £23,313 arose from past activities rather than development projects et Ewart New Northern, the company has turned in a £50,263 result for the year to April 30 1984, up from £47,946.

The directors of this commercial and industrial property developer recommend an unchanged final dividend of 3p net per £1 share, holding the total for the year at 4p. The payout was covered by earnings per share shown as 5.17p (4.43p).

Tax was £3,499 lower at £9,645, and an extraordinary credit £70.000 (nil) was transferred to capital reserves.

* * *

The rights issue of 7,626,615 ordinary shares of 20p each at 50p per share, made hy Anvil Petroleum has been accepted as to 7,241,602 shares (94.95 per cent). The company has completed the acquisitioo of a 0.5 per cent loterest ln the Claymore field from Occidental Petroleum Corporation.

* * *

Yearling honds totalling £9.5m at 11¼ per cent redeemable on August 14, 1985 have been issued this week hy the following local authorities: Hackney (London Borough of) £2.5m, St Helens Metrooolitan Borough Council £500.000. Coventry (City of) £1m. Derwentside District Council £500,000. South Buckinghamshire D.C. £250,000. Ynys Mon Isle of Anglesey B.C. £500.000. Taunton Deane B.C. £500,000. Ealing (London Borough of) £1m. Lincoln (City of) £250.000. Brentwood D.C. £250,000. Walsall Metropolitan Borough Council £50.000. Newcastle Upon Tyne (City of) £500.000. Newport B.C. £1m, Woodspring D.C. £250,000.

* * *

Net asset value per 25p share of the English & New York Trust declined by 2.4p to 101.7p in the 12 months ended June 30 1984. Net earnings for the half year to end-June edged ahead from £1.01m to £1.11m after a lower tax charge of £583.000, compared with £714.000. The net interim dividend is held at 1p.

Gross revenue fell to £1.97m (£2.25m). Management and administration expenses accounted for £136.000 (£128.000) and loan interest £161.000 (£390.000). Earnings amounted to 1.38p (1.26p) per share.

* * *

BOC Group says that on August 7 £65.000 nominal of 9 per cent tonnage debenture stock was drawn for redemption on September 30 1984. Amount of the stock outstanding after the drawing is £2,504,954.

UK COMPANY NEWS

Acquisitions are big part of activity at Rowland Gaunt

BY WILLIAM DAWKINS

Rowland Gaunt, the loss-making ladies' clothing group, which used to be one of the smallest quoted companies until its suspension in April, is to make two acquisitions, a rights issue, and join the Unlisted Securities Market.

Gaunt is to take over Beau Brummel, the leading boyswear manufacturer, and Wisehouse, which operates 47 boyswear and young men's casual wear concessions within Burton's Top Man and Collier's among others.

Following the paper acquisition, the enlarged group plans to raise £512,000 net of expenses via a four-for-five rights issue of 1,264,000 shares at 50p each, which compares with the suspension price of 128p.

Mr Stephen Barclay, Gaunt's chairman and owner of 39 per cent of its equity, has a 97 per cent stake in Beau Brummel with his family and a 42.5 per cent holding in Wisehouse. Following the acquisitions, Mr Barclay and Mr Leonard Kaye—who currently owns 23 per cent of Wisehouse—will control 63 per cent of the enlarged group through their own and their supporters' holdings. Mr Barclay will remain as chairman.

Gaunt is to pay £400,000 for Beau Brummel, to be satisfied by the issue of 800,000 new Gaunt shares. It will also guarantee the repayment by Brummel of £100,000 of 8 per cent unsecured loan stock 1986.

The consideration for Wisehouse will be £240,000, to be satisfied by the issue of 480,000 Gaunt shares in favour of the vendors. Pre-tax profits of the enlarged group are forecast to reach £200,000 in the year to October. That period will include a full year's trading from Beau Brummel and Wisehouse, but only six months from Gaunt.

There will be no dividend from Gaunt this year, but the directors plan to resume payments if profits run at least at the same level in 1984-85. The enlarged group will have net assets of £915,000.

After the acquisitions and rights issue, its share capital will comprise 2,844,000 ordinary 25p shares. At the 50p issue price, Gaunt's market capitalisation is just over £1.4m, as against its suspension value of £384,000.

Laurie, Millbank, Gaunt's brokers, have agreed to buy or find buyers for 906,800 new ordinary shares—32 per cent of the enlarged equity—being part of the equity to be allotted to certain of the Beau Brummel vendors. These shares will be placed, excluding any entitlement to the rights issue, and a proportion will be made available through the market.

The Takeover Panel has agreed to waive the provisions of Rule 34, which would have required Mr Barclay to make an offer for all of Gaunt, provided a resolution is passed absolving him of that obligation at an extraordinary general meeting to be held on August 31. Mr Barclay and his family interests will not be allowed to vote.

It is expected that dealings will open on the USM in the existing Gaunt shares, the rights issue shares, and the consideration shares, on September 3.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: East Lancashire Paper, Goode Durrant and Murray, Heywood Williams, William Jackson, Rea Brothers, Renown Inc, Royal Dutch Petroleum, "Shell" Transport and Trading, TI, Ultramar.

Finals: Allied Leather Industries, English Association, Hambros Trust, Holyrood Rubber, Kuala Selangor Rubber, Joseph Webb.

FUTURE DATES

Interims—	
First Scottish American Trust	Aug 28
MacLellan (P. and W.)	Aug 10
Northern Goldsmiths	Aug 17
Ratcliffs (Great Bridge)	Aug 15
Securicor	Aug 15
Security Services	Aug 15
Unibond	Aug 23
Wagon Finance	Aug 24
Finals—	
Aerospace Engineering	Aug 22
Caledonian Assocd. Cinemas	Aug 16
Douglas (Robert M.)	Sept 12
M.L. Holdings	Aug 15
Meat Traders Suppliers	Aug 14

S. C. Banks improves but warns of CAP changes

THE TAXABLE result for the year to April 30 1984 rose from £1.17m to £1.37m at Sidney C. Banks, grain and agricultural merchant, and the indications are that this year's harvest in the company's trading area will produce high yields.

The directors are hopeful that this will lead to further improvement in the company's performance, so long as this is not affected by factors outside their control, such as radical alterations in the European common agricultural policy.

The changes to the CAP anticipated in the interim statement of Mr J. Burr, the chairman, have so far been confined to the dairy sector, but this will have an adverse effect on animal food sales.

Further changes may be announced that could affect other sectors of the agricultural industry, especially cereals, the chairman added.

The final dividend is to be lifted by 0.25p to 5.25p net per share, raising the total from 7.5p to 8p. Earnings are shown at an unchanged 25.8p.

Turnover of this Sandy, Bedfordshire-based company increased from £89.72m to £103.31m.

The tax charge was up from £382,000 to £536,000, and a provision of £540,000 has been made for deferred tax arising from the Budget changes.

The directors expect that B.S.F. Seed Producers GB, in which the company has a 50 per cent interest, should benefit materially in future years from their introduction of Kaskade winter barley and Boxer winter wheat.

Thorn EMI chief outlines need for continued expansion

IN HIS first annual statement as chairman of Thorn EMI Mr Peter Laister reveals that profits for the opening quarter of the current year were lower than the unusually high level recorded last year.

He blames the decline on a less buoyant UK demand for consumer electronics and disappointing music results.

However, shareholders are told that the group's other businesses continued much in line with the previous year and that the trading performance of the first quarter is of limited significance as most of the company's products, particularly consumer electronics and music, are highly seasonal with a large proportion of annual profits earned in the period from September to December.

Enlarging on the emerging strategy for the future of the group Mr Laister says that restructuring moves have enabled the directors to identify substantial long-term growth opportunities within the existing spread of interests.

He comments that these are being actively progressed in such areas as home entertainment "where video, the possibilities of cable and the potential of satellite, together with the development of advanced technology television receivers, are some examples of our determination to have the strongest and most broadly based interests in the international market place."

It is pointed out that, equally, both information technology and electronics offer as wide and varied a list within fields such as small computers and their software, security and protection systems, telecommunications, advanced optical and thermal image devices, radar and micro-electronics manufacture.

The chairman says Thorn EMI is represented strongly in all of these areas and adds that the group's current profile presents a solid and reorganised base, a management capable of relating to growing opportunities, a strong foundation throughout the business of advanced electronic technology and software, and significant growth opportunities in existing product fields.

Referring to the need to broaden the group's base Mr Laister explains that about 70 per cent of its business relates to consumer spending patterns and a heavy dependence on the domestic UK market place.

The plan is to rebalance this position. His statement adds that "if at the same time we gain size then this is also considered advantageous in relation to the greater size of many international competitors. . . ."

Last month Thorn EMI announced that it was to pay £95m for the Government's 76 per cent shareholding in Inmos, a micro-chip manufacturer. A few days later the group called on shareholders for £136m via a rights issue.

The directors said the issue would strengthen the group's balance sheet after the purchase of the Inmos stake.

Mr Laister says Inmos is in the forefront, in world terms, in its chosen technologies and as such, has exceptional growth potential.

The acquisition, he says, thus supports the directors strategy and adds very relevant high technology to the group's base.

Ayrshire Metal improves

A pick-up in the second quarter has enabled Ayrshire Metal Products to show a profit of £2,000 for the six months ended June 15, 1984. This compares with a loss of £68,000 for the corresponding period, which had been turned into a profit of £56,000 by the end of 1983.

The first three months disappointed particularly in the case of the industrial building market, the directors report. This area has since shown an upturn, and coupled with some improvement in other markets, has brought each of the UK manufacturing units into profit for the second quarter. The first half has also borne the cost of setting up a German selling company.

Over the first half, UK produced sales of £6.5m (£6.03m) and trading profit of £52,000 (loss £79,000), and overseas contributed £486,000 (£465,000) and loss £46,000 (profit £10,000) respectively. Interest charges were £4,000 (£19,000) and there was no other operating income this time (£20,000).

The improvement started in the second quarter has so far been maintained into the current half.

Gnome Photo up to £0.27m

The year to May 31 1984 finished with pre-tax profit up at Gnome Photographic Products from £224,000 to £273,000 on turnover that rose from £1.48m to £1.67m.

The directors of this manufacturer of photographic and visual aid equipment are recommending a dividend of 5.25p, improving on last year's 4.5p.

The tax charge was £121,000 (£74,000), and there was an extraordinary credit of £61,000 (£35,000), being profit on investment realisation.

MINING NEWS

Harbour Lights to boost gold production in the early years

BY KENNETH MARSTON, MINING EDITOR

FOLLOWING the completion of final feasibility studies the Esso-Carr Boyd partnership's Harbour Lights open-pit gold property at Leonora in Western Australia is now on the road to becoming one of the country's major gold producers.

Full production is scheduled for next August. Because of the nature of the deposit the higher ore grades will be tackled first and this will boost gold output in the first and second years to a larger than expected 83,000 oz and 73,000 oz, respectively.

Operating costs are expected to be about A$140 and A$155 per ounce of gold in these two years which suggests that the operation could recoup its total cost of A$20.4m (£13m) in the first year of production.

So Harbour Lights is likely to be financed from internal resources and at the moment it thus seems unlikely that there will be any call upon shareholders for funds.

Ore reserves have been put at 5.5m tonnes with an average gold grade of 4 grammes per tonne.

The planned annual mining rate is 500,000 tonnes and, allowing for dilution, gold production during the life of the proposed open-pit is estimated at 624,000 oz.

However, it is considered that there is an "excellent" potential for economic ore below the bottom of the pit "and to this end delineation drilling will be funded from cash flow during the lifeof the open-pit operations."

Ownership of Harbour Lights is now restructured as to Esso 50 per cent, Aztec Exploration 9 per cent, Carr Boyd 39 per cent and Hill Minerals 2 per cent. Hill Minerals also has an indirect interest of just on 10 per cent via its 24 per cent holding in Carr Boyd.

In London yesterday shares of Carr Boyd hardened 2p to 54p while those of Hill Minerals remained at 23p.

MINING NEWS IN BRIEF

Canada's Noranda Mines has signed a contract with the Guyanese Government for a gold mining project at Marudi in the Essequibo region, according to government officials. Noranda will finance the development of the site with Guyana Mining Enterprise and the Guyana Geology Commission and any mining will be on a joint venture basis.

★

The Malaysian tin-producing Sungei Besi reports lower earnings for the year to March 31 of M$1.59m (£518,000) compared with M$2.96m in the previous 12 months. A final dividend of 55 cents makes a total for the past year of 75 cents less tax at 40 per cent against 140 cents less tax in 1982-83.

★

New Wits, the South African mining investment company in the Consolidated Gold Fields group, has earned R9.86m or 85 cents per share, in the year to June 30 compared with R10.18m in 1982-83. A final dividend of 32 cents leave the total unchanged at 50 cents. Net assets equal 1,533 cents (728p) per share.

★

The South African base metal investment company in the Consolidated Gold Fields group, Vogelstruisbult Metal Holdings, has earned a net profit of R1.33m (£630,000) in the first half of this year compared with R2.05m in the same period of 1983 when the year's total came out at R4.6m. The latest interim is unchanged at 5 cents.

★

South Australia's Future Energy Action Committee is to invite Meekatharra Minerals as one of four companies (the others are Western Mining, CSR and ETSA) to submit proposals for the long term supply of coal for a new base load power station. The formal invitation is expected this month.

APPOINTMENTS

Baker Perkins Holdings posts

Mr Mike Smith has been appointed deputy managing director of BAKER PERKINS HOLDINGS. He was appointed to the board in 1979. He continues as chairman and managing director of Baker Perkins, the principal subsidiary. Mr Charles McCaskie has been appointed a director of Baker Perkins Holdings. He is technical director of Baker Perkins. Dr Graham Winfield has been appointed a non-executive director of Baker Perkins Holdings. He is chief executive, overseas division, the BOC Group.

★

MILLARD DEVELOPMENTS has appointed Mr Richard Cherry to the board. He joined the company last year as group accountant.

★

Mr James J. Nelson has been appointed a director of JEAN SORELLE. Mr Nelson and Mr R. Quentin MacDougall have been appointed directors of Pullgrange, parent company of Jean Sorelle. Mr MacDougall is managing director of Jean Sorelle.

★

Mr David John Sebire has been appointed to the board of M. L. HOLDINGS.

★

The KESTREL DATA GROUP has appointed Mr Martin M. Aylward to the main board of Kestrel Data Services. He is managing director of Kestrel Data (UK). Mrs Jacqui Clemson has been appointed operations director of the subsidiary company Kestrel Data Storage and Management.

★

THE WALTER KIDDE CO has appointed Mr John S. Hendry as chairman. In his new role he will be involved with the European activities of Kidde Co while remaining involved with the affairs of the Walter Kidde Co. He has been managing director for the past 13 years. Mr Michael J. Holmes becomes managing director. He joined the company in 1967 and has been marketing director for 10 years.

★

SPD GROUP, a Unilever-owned transport and distribution company, has re-organised its management structure. The new board includes: Mr J. A. Harvey, managing director; Mr D. J. Amos, personnel director; Mr J. J. Davies, operations director; Mr D. F. Jeffrey, commercial director; and Mr A. J. Pinder, sales and marketing director. Over the next few months individual business units will be integrated into one unified company although existing trading names will be maintained.

★

Mr Tony Brown, chairman of Rose Forgrove, and a director of parent company, Baker Perkins Holdings, has been elected deputy president of the PROCESS PLANT ASSOCIATION. The president, Mr John Crawford, chief executive of Motherwell Bridge Holdings, was re-elected for the year 1984-85.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1983							
2nd qtr.	99.9	94.6	93	107.3	119.7	2,987	135
3rd qtr.	99.9	96.6	95	108.3	124.0	2,950	160
4th qtr.	103.4	97.7	96	110.3	151.4	2,941	162
December	104.0	98.7	101	111.0	176.6	2,946	155
1984							
1st qtr.	103.1	97.7	95	108.5	123.5	2,998	147
2nd qtr.				111.7	130.7	3,036	154
January	103.6	97.7	97	107.7	123.4	2,976	148
February	103.2	97.3	96	109.5	122.4	3,006	145
March	102.4	98.2	95	108.3	124.5	3,012	147
April	101.3	98.3	100	112.3	131.4	3,011	148
May	100.0	97.3		110.7	130.6	3,028	156
June				113.1	130.3	3,038	159
July						3,054	164

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1983							
1st qtr.	96.3	92.4	105.0	93.9	98.9	89.1	18.1
2nd qtr.	95.9	90.5	106.1	93.0	104.1	89.4	20.0
3rd qtr.	98.1	91.9	108.4	94.7	104.8	90.3	17.5
4th qtr.	98.4	93.6	110.3	96.2	108.8	92.8	15.9
November	98.0	93.0	110.0	96.0	107.0	92.0	18.2
December	99.0	95.0	111.0	96.0	110.0	96.0	11.1
1984							
1st qtr.	97.7	93.5	110.1	96.3	111.7	89.5	16.5
January	98.0	94.0	111.0	97.0	112.0	88.0	13.9
February	98.0	93.0	111.0	95.0	109.0	89.0	16.6
March	98.0	94.0	108.0	97.0	114.0	91.0	19.0
April	99.0	94.0	106.0	96.0	113.0	90.0	16.5
May	98.0	92.0	104.0	95.0	107.0	90.0	17.5

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1983							
2nd qtr.	100.3	106.6	−460	−89	+1,551	98.1	17.71
3rd qtr.	99.2	106.6	−248	+828	+1,521	99.2	17.90
4th qtr.	107.4	112.7	+5	+598	+2,123	98.6	17.82
November	104.8	108.2	+71	+195	+661	98.7	18.19
December	114.3	112.1	+258	+701	+901	98.7	17.82
1984							
1st qtr.	109.5	113.2	−59	+838	+2,316	97.4	16.75
2nd qtr.	108.2	118.9	−1,304	−554	+1,502	97.1	15.51
January	101.8	111.7	−324	−25	+719	98.1	17.78
February	115.4	110.2	+492	+791	+821	97.4	17.98
March	111.3	117.9	−227	+72	+776	96.9	16.75
April	104.4	122.9	−838	−588	+370	96.7	15.94
May	108.5	115.8	−319	−69	+495	96.9	15.84
June	111.9	118.1	−148	+103	+637	97.9	15.51
July							15.37

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	Base rate %
1983							
2nd qtr.	15.3	14.6	15.0	+5,087	1,071	2,540	9.50
3rd qtr.	8.5	8.4	24.6	+1,491	2,098	2,646	9.50
4th qtr.	10.4	8.8	18.9		2,745	2,818	9.00
December	15.3	15.2	11.9		888	981	9.00
1984							
1st qtr.	10.1	8.2	13.6		2,609	2,912	8.50
2nd qtr.	24.5	11.0	18.9		1,795	2,870	9.25
January	7.6	11.5	12.3		926	969	9.00
February	7.8	8.6	12.4		954	1,007	9.00
March	14.9	7.1	16.1		729	936	8.50
April	23.4	7.4	17.2		683	914	8.50
May	28.3	11.4	19.0		482	1,031	9.13
June	22.7	14.1	20.3		630	925	9.25
July							12.00

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1983							
2nd qtr.	148.0	123.6	124.2	333.7	306.3	272.89	84.3
3rd qtr.	150.9	124.7	125.1	338.0	310.4	288.14	84.9
4th qtr.	153.2	128.4	126.7	341.8	316.4	298.50	83.2
1984							
1st qtr.	153.6	133.5	129.0	343.9	321.7	308.67	81.7
2nd qtr.		134.1	132.0	350.9	329.1	305.06	79.6
January	152.7	133.5	128.0	342.6	319.8	295.75	81.9
February	153.7	134.2	128.8	344.0	321.4	291.34	82.2
March	154.2	132.9	130.2	345.1	323.8	308.67	81.0
April	154.7	133.8	131.7	349.7	327.3	305.89	80.1
May	155.5	134.3	132.1	351.0	329.4	312.45	80.0
June		134.1	132.2	351.9	330.6	305.06	79.4
July		133.6	132.5			289.86	78.4

* Not seasonally adjusted.

BUSINESS LAW

State traders and sovereign immunity

By A. H. HERMANN, Legal Correspondent

A STATE which has chosen to enter the world's market-place must abide by its rules if it wishes to stay there; and a country which invites foreign investments will have little success if it shows an inclination to expropriate foreign assets in a discriminatory fashion and without proper compensation.

One is almost ashamed to repeat such home truths. For these two principles are embodied in numerous international treaties and accepted as uncontested rules of international law. Without them, the business of state trading countries would be limited to cash transactions and the transfer of capital and of advanced technology to less developed countries would be made impossible. These rules form the basis on which smaller states and multinational corporations can meet as business partners.

Unfortunately, many judges seem to live still in the 19th century when state trading was unknown and sovereigns by common interest and intermarriage formed an international family, mindful of its *prerogatives* and scornful of business.

This concept of sovereign immunity lingers on even in the courts of republics. Thus Swiss courts abide by the two principles only if Swiss interests are involved and U.S. courts ignore them even to the detriment of their own citizens. That is bad enough because of the importance of the U.S. market place. But when English courts do the same, it is a blow to world trade because the London Commercial Court is the *de facto* international business court where many foreign parties seek a fair resolution of their disputes.

Such was the case* when Settebello Ltd, a Liberian outpost of Thyssen, the West German steel-making group, sued Banco Totta and Acores, a Portuguese bank with a branch in London, over a guarantee to pay £25m in connection with the failure of the Portuguese state shipyards to deliver a 320,000-ton oil tanker on time.

Under the terms of the contract the Thyssen-owned company was entitled to cancel the order and claim a penalty if the ship was not ready for delivery by April 30 1982. *Ten days before the cancellation* date, the Portuguese Government made a decree enabling Portuguese companies, earlier declared to be in a "critical economic condition," to suspend unilaterally for two years any right of their customers to cancel a contract when a total payment due exceeded Escudo 1bn.

The ship was not ready and the shipyard lost no time in making the necessary declaration. The bank refused payment under its guarantee, claiming that, as a result of the new decree, no money was owed to the Thyssen group.

In vain did Mr Gordon Pollock, QC, plead that the intervention, within the mean- Portuguese decree was discriminatory, applicable only to the one contract and made by the Government specially to extricate *its own shipyard from* a freely undertaken commercial liability. Mr Justice Hirst refused to issue Letters of Request to obtain evidence in Portugal that the decree was made at the initiative of the shipyard and drafted by its lawyers. He said this would be meddling in the legislative business of a friendly power.

"If this effectively deprives the plaintiffs of obtaining the evidence that they need in order to sustain their plea, this is because their interests must yield to a higher legal principle—an unfortunate predicament, but similar to that in which the defendants in the *Buttes* case† were placed as a result of the House of Lords decision", he said.

Going even further, the Judge said: "I have formed the very clear provisional view that *Buttes* case, which is a unanimous decision of the House of Lords, effectively rules out evidence concerning the motives of a foreign legislature as a matter of principle on grounds of comity."

This is an astonishing pronouncement, even if only "provisional." The *Buttes* case concerned several acts of Gulf states, defining their territorial and offshore rights. And the judge could not be persuaded that the House of Lords expressly acknowledged the need and propriety of obtaining evidence when Lord Wilberforce said: "I am not saying that there may not be cases when it is so clear that a foreign government is taking action purely in order to extricate a state enterprise from contractual liability, that it may be possible to deny to such action the character of government intervention, within the meaning of a particular contract, but that result cannot, in my opinion, be achieved by means of the doctrine mentioned above: it would require clear evidence and definite findings."‡

> Mr Justice Hirst's refusal to allow an inquiry into the motives of the Portuguese Government, which by a special decree relieved its state shipyards of liability, may make contracts with state-owned enterprises unsafe

Mr Justice Hirst expressed the very gravest doubts whether the motive behind an act of state could ever be relevant in the present context. What was in question was "not the foreign law in abstract but the results of its enforcement or recognition in England in the concrete case."

This is very seductive, but unfortunately quite unworkable. A foreign act of state may be abhorred, but its results must be respected if it is non-discriminatory and genuinely part of governmental activities. But it is quite another matter if its only purpose is to extricate a government-owned enterprise from contractual liabilities.

To establish which of the two it is, the legislative aim must be considered. This was done in the House of Lords in the *Czarnikow* case when the Law Lords accepted the arbitrators' finding (wrong in my view) that a Polish state trader operated at arm's length from its government. They accepted again the consideration of motives in *I Congresso del Partido*§ in June 1981, when they rejected the view that political motivation made a commercial act of the Cuban Government immune or that it justified the frustration of a contract.

Unfortunately, the House of Lords has also opted for the unrealistic distinction between state traders and the government controlling them. As Lord Wilberforce said on the same occasion: "State-controlled enterprises, with legal personality, ability to trade and to enter into contracts of private law, though wholly subject to the control of their state, are a well-known feature of the modern commercial scene. The distinction between them, and their governing state, may appear artificial: but it is an accepted distinction in the law of England and other states."

The dangerous assumption that state trading agencies have a separate existence can be maintained only as long as legislative or executive measures apply indiscriminately but it must fall when a government acts to free its agency from liability under a particular contract. Evidently the question of motive is all-important when deciding about this type of *force majeure* defence.

Considered from a slightly different angle, the decree of the Portuguese Government amounted to confiscation of the $25m due to the Thyssen group. It should not be recognised in international law if discriminatory—and here the question of motives reappears. But whatever the motive—whether discriminatory or not—the confiscation need not be recognised if no compensation is *offered, and* to *offer it* would frustrate the very purpose of the Portuguese decree.

The grounds on which Mr Justice Hirst refused to issue the Letters of Request seem to prejudice the whole issue in favour of the guarantor bank and the Portuguese shipyard. In the long run, however, this may prove more harmful to Portuguese foreign trade and the reputation of the Commercial Court than to Thyssen. One can only hope that the Court of Appeal will take a broader view.

* *Will be reported in the August issue of the Financial Times Business Law Brief.*

† *Buttes Gas and Oil Company v Hammer (1982) A.C. 888.*

‡ *Czarnikow v Rolimpex (1979) A.C. at 364B.*

§ *1981 WLR 328.*

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	13¼	AAR	.48	2.2	23	48	22½	22	22⅛	-⅛
22	13½	AMCA	n	1	7.2	3	14	13⅞	13⅞	-⅛
18⅝	13¼	AMF	.50	3	1147	745	16⅞	15⅞	16⅛	+¼
51¼	49⅝	AMF	pf2.96e	5.8		60	51⅛	51⅛	51⅛	+⅛
41¼	24¼	AMR			4	19675	28⅞	27½	28	-2⅞
20⅛	18	AMR	pf2.18	11		14	19¾	19¾	19¾	
41½	27½	AMR	pf2.13	7.0		1171	31¼	30	30½	-2⅝
25½	23	ANR	pf2.67	11		19	23⅝	23⅝	23⅝	+⅛
22⅛	19½	ANR	pf2.12	10		3	20⅝	20⅝	20⅝	
16⅛	8½	APL			4	85	11⅝	11¼	11⅛	-⅛
55¾	40¾	ARA	2.10	4.2	10	672	50½	49¾	50¾	+1
71⅛	44¾	ASA	3a	5.7		605	53¼	52⅝	52½	+¼
30¾	16½	AVX	.32	1.4	14	262	23¼	22¼	22¾	-¼
53⅞	38¾	AbtLab	1.20	2.6	16	1631	47⅛	45¼	45⅞	-1⅛
31⅞	23¾	AccoWd	.60	1.8	19	173	u33⅞	31	32⅞	+1¼
27⅛	12½	AcmeC	.40	2.9		99	14	13⅞	13⅞	-⅛
12⅞	8¾	AcmeE	.32b	3.4	26	2	9⅛	9⅜	9⅜	-⅛
24⅞	11	AdmDg	.04	.3	8	22	14½	14⅛	14⅛	-⅛
18⅜	15	AdaEx	2.11e	13		121	16⅛	15⅞	15⅞	-⅛
16⅞	11⅞	AdmMl	.28	2.1	14	45	13⅞	13⅛	13½	
22	13¼	AdvSys	.811	4.8	17	340	17⅛	17	17	-⅛
17⅛	7⅞	Advest	.12	1.1		143	11½	11	11⅛	-⅛
37¼	25⅛	AMD			20	5342	35⅛	34⅞	34⅞	-⅛
21⅛	8⅝	Aeflex			12	63	12⅞	12⅛	12⅞	+⅛

[illegible]

Continued on Page 25

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Continued on Page 26

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 24

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

Aug. 9	Price Sch%	+ or —
Creditanstalt	206	—1
Goesser	326	
Interunfall	400	..
Laenderbank	207	..
Perlmooser	346	—1
Steyr-Dimlera	139	
Veitscher Mag	213	-1

BELGIUM/LUXEMBOURG

Aug. 9	Price Frs.	+ or —
ARBED	1,490	-0
Banq Int A Lux	5,150	+26
Bekaert B	4,010	
Ciment CBR	2,405	-45
Cockerill	280	-15
Delhaize	5,400	
EBES	2,650	—20
Electrobel	7,250	-30
Fabrique Nat	1,970	+45
GB Inno BM	3,190	-20
GBL (Brux)	2,300	
Gevaert	3,940	—25
Hoboken	5,340	
Intercom	1,935	+10
Kredietbank	6,780	
Pan Hldgs	9,250	+50
Petrofina	6,770	+30
Royale Belge	9,400	
Soc. Gen. Banq	9,915	-20
Soc. Gen. Belge	2,785	-15
Sofina	6,400	+50
Solvay	3,850	-50
Traction el	4,750	-20
UCB	4,700	
Vieille Mont	4,220	+25

DENMARK

Aug. 8	Price Kr %	+ or —
Aarhus Olie	423	..
Andelsbanken	252	
Baltic Skand	710	—5
CopHandelsbank	203	
D. Sukkerfab	560	—5

FRANCE

Aug. 8	Price Frs.	+ or —
Bouygues	590	-10
BSN Gervais	2,430	—1
CIT Alcatel	1,075	+3
Carrefour	1,458	+13
Club Mediter'n	878	+9
CFAO	598	—5
Cie Bancaire	508	
Cofimeg	214	..
Darty	920	+10
Dumez S.A.	652	—13
Eaux (Cie Gen)	516	+1
Elf-Aquitaine	199.9	-2.9
Gen. Occidentale	625	
Imetal	77.8	+1.8
Lafarge Coppee	320.2	+1.2
L'Oreal	2,218	+6
Legrand	1,840	-5
Maisons Phenix	200	+2
Matra S.A	1,428	+3
Michelin B	780	-20
Midi (Cie)	1,592	+7
Moet-Hennessy	1,652	+67
Moulinex	101.1	+3.2
Nord Est	45.9	+0.7
Pernod Ricard	786	+9
Perrier	485	+9
Petroles Fra.	227.5	-4.4
Peugeot S.A.	199	+0.9
Poclain	44	—1
Printemps Au.	136	+0.5
Radiotech	246.2	-0.2
Redoute	1,015	—6
Roussel Uclaf	1,260	-25
Selimeg	242	+1.5
Skis Rossignol	1,380	—20
Telemech Elect.	1,590	—15
Thompson (CSF)	314.9	-3.9
Valeo	224	+2.1

GERMANY

Aug. 8	Price Dm.	+ or —
AEG-Telef	92.4	+1.2
Allianz Vers	757	+5
BASF	154	+0.4
Bayer	164.4	+0.6
Bayer-Hypo	257	—1
Bayer-Verein	297	+4
BHF-Bank	234.5	1.5
BMW	381.5	+3.5
Brown Boveri	197	+3
Commerzbank	150	-4.5
Cont'l. Gummi	119	-0.4
Daimler-Benz	542	-2
Degussa	344	+2.5
D'sche Babcoc	145	+1.5
Deutsche Bank	329.5	2
Dresdner Bankk	152.5	+5.3
GHH	140.5	—1.5
Hochtief	405xd	
Hoechst	166.4	-0.3
Hoesch Werke	90.2	-1.8
Holzmann (P)	415	-9
Horten	171	+1
Kali und Salz	210.5	-0.5
Karstadt	229.5	-1
Kaufhof	219	—1
KHD	229	-1
Kloeckner	66.8	0.2
Krupp	75.5	
Linde	345	
Lufthansa	156.5	+2.5
MAN	137.1	-0.2
Mannesmann	140.5	-0.5
Mercedes Hld.	483.5	+0.5
Metallgesell	210	-1
Muench Rueck	1020	
Preussag	238.5	1
Rhein West Elect	158	+1.5
Rosenthal	251	-4
Schering	346	+2.5
Siemens	385	+3
Thyssen	71.2	+0.2
Varta	167	-6
Veba	168.5	-1
V.E.W	110	+0.5
Verein-West	391	-1
Volkswagen	176.5	+0.7

ITALY

NETHERLANDS

Aug. 8	Price Fls.	+ or —
ACF Holding	178	+3
AEGON	121.5	+2.5
Ahold	194	+1.5
AKZO	89.5	+3.7
ABN	319.5	-6.5
AMEV	155	-1.5
AMRO	56.5	+1.3
Bredero Cert	187	+0
Bos Kalis Westm.	28.2	-0.3
Buehrmann-Tet.	66	..
Calland Hldgs	34.2	..
Credit Lyon'is Bk	45.2	-0.3
Elsevier-NDU	89.8	+1.3
Gist. Brocades	150.6	+1.3
Heineken	136	+2.5
Hoogovens	52.3	+3.5
Hunter Douglas	28.9	-0.5
Int Mueller	35	+0.4
KLM	182.5	+7.1
Naarden	38.8	+0.1
Nat Ned Cert	223	+4.5
Ned. Credit Bank	40	
Ned Mid Bank	130.5	+2.5
Nedlloyd	109.3	+2.4
Oce Grinten	239	-2
Ommeren (Van)	26.5	-0.3
Pakhoed	62.5	..
Philips	49.2	+2.2
Rijn-Schelde	2.2	-0.1
Robeco	64.1	+1.1
Rodamco	131.7	-0.2
Rolinco	61.1	-0.1
Rorento	201.8	+0.2
Royal Dutch	158.0	+7.3
Unilever	268.3	+4.3
VMF Stork	122.5	-0.5
VNU	158.5	+2.2
West Utr Bank	83	+1

NORWAY

SPAIN

SWEDEN

Aug. 8	Price Kronor	+ or —
Cardo (Free)	330	
Cellulosa	137	-2
Electrolux B	259	-1
Ericsson	364	
Esselte	300	—1
Mo Och Domsjo	375	
Pharmacia	209xc	+3
Saab Scania Free	550	
Sandvik	405	-7
Skandia	359	
Skan Enskilda	60.5	+0.5
SKF	192	+1
St. Kopparberg	730	
Sven Handelsbn.	181	+2
Swedish Match	235	-1
Volvo B (Free)	235	..

SWITZERLAND

Aug. 8	Price Frs.	+ or —
Alusuisse	710	..
Bank Leu	3,425	—25
Brown Boveri	1,330	..
Ciba Geigy	2,365	+5
do. (Part Certs)	1,805	+15
Credit Suisse	2,100	..
Elektrowatt	2,315	-5
Fischer (Geo.)	620	..
Genevoise	3,450	..
Hoff Roche PtCts	93,750	
Hoff-Roche 1/10	9,375	
Jacobs Suchard	6,200	..
Jelmoli	1,770	+5
Landis & Gyr	1,380	+5
Nestle	5,415	+25
Oer-Buehrle	1,200	-20
Pirelli	249.5	+1.5
Sandoz (Br)	7,150	+150
Sandoz (PtCts)	1,057	+8
Schindler (PtCts)	560	..
Swissair	962	—3
Swiss Bank	321	—1
Swiss Reinsce	7,300	—50
Swiss Volksbk	1,350	—10
Union Bank	3,240	-10
Winterthur	2,900	+40
Zurich Ins.	16,900	—150

AUSTRALIA

Aug. 8	Price Aust. $	+ or —
ANZ Group	4.85	-0.05
Acrow Aust.	1.55	..
Alliance Oil D.	0.63	—0.01
Ampol Pet.	1.7	
Aust Cons Ind	1.91	+0.01
Aust. Guarant.	2.90	..
Aust. Nat. Inds.	2.3	—0.05
Aust. Paper	2.32	—0.03
Bell Group	4.7	..
Bond Corp Hldgs	1.35	-0.05
Boral	3.58	-0.02
B'ville Copper	1.72	..
Brambles Inds	3.10	—0.05
Bridge Oil	2.75	-0.05
BHP	10.6	+0.1
CRA	5.4	+0.08
CSR	3.33	—0.04
Carlton Utd	4.80	..
Castlemaine Tys.	4.35	-0.1
Coles (G.J.)	3.85	-0.1
Comalco "A"	2.55	-0.05
Consolidated Pet	0.48	-0.04
Costain Aust.	1.5	+0.1
Dunlop Aust.	1.8	—0.05
E.Z. Inds.	8.36	+0.04
Elders IXL	4.15	—0.05
Energy Res.	1.62	+0.04

AUSTRALIA (continued)

Aug. 8	Price Aust. $	+ or —
Gen Prop Trust	2.2	-0.02
Hardie (J.)	3.4	
Hartogen Energy	2.1	..
Herald W'y Times	3.05	
ICI Aust.	2.18	—0.02
Jimb'lana 60cFP	0.03	—0.02
Kia Ora Gold	0.13	
Lend Lease	5.2	—0.04
MIM	2.9	-0.02
Mayne Nickless	2.85	—0.05
Meekatharra	0.62	-0.14
Myer Emp.	1.95	
Nat. Com. Bk.	3.43	—0.02
News	10.3	
Nicholas Kiwi	4.2	+0.05
North Bkn Hill	2.32	-0.08
Oakbridge	0.85	
Otter Expl.	0.48	
Pancont'l	1.12	—0.05
Pioneer Conc	1.59	—0.05
Queensland Coal	1.2	
Reckitt & Coln	2.85	
Repco	1.22	+0.02
Santos	6	+0.14
Smith (H.)	3.75	+0.08
Southland Min'g.	0.3	—0.02
Spargos Expl	0.5	—0.02
Thos. Natwide	1.95	—0.04
Tooth	5.50	
Vamgas	3.2	..
Western Mining	3.4	—0.04
Westpac	3.92	—0.01
Woodside Petrol.	1.10	
Woolworths	2.84	+0.04
Wormald Intl	9.95	

HONG KONG

Aug. 8	Price H.K. $	+ or —
Bank East Asia	19.8	
Cheung Kong	8.15	+0.2
China Light	12.2	+0.2
Hang Lung Devel	2.02	
Hang Seng Bank	31	—0.25
HK Electric	6.85	+0.1
HK Kowloon Wh.	3.3	+0.5
HK Land	2.05	+0.05
HK Shanghai Bk.	0.25	
HK Telephone	43	
Hutchison Wpa	10.5	-0.2
Jardine Math	7.35	-0.25
New World Dev	2.8	
Orient O'seas	2.25	+0.05
O'seas Trust Bk.	2.85	—0.05
SHK Props	5.55	
Swire Pac A.	16.3	-0.1
Wheel'k Mard A.	3.1	+0.05
Wheel'k M'time	1.9	
World Int. Hldgs.	1.84	-0.02

JAPAN

Aug. 9	Price Yen	+ or —
Ajinomoto	1,170	-20
Alps Electric	2,140	-90
Amada	1,230	—30
Asahi Chem	570	—3
Asahi Glass	742	+1
Bridgestone	608	+3
Canon	1,220	—30
Casio Comp	1,290	—30
Chugai Pharm	990	+24
Citizen	491	-15
Daiei	608	—3
Dai Nippon Ptg	920	—22
Daiwa House	528	
Ebara	317	
Eisai	1,220	+120
Fanuc	8,800	—100
Fuji Bank	860	—20
Fuji Film	1,710	-20
Fujisawa	1,010	+10
Fujitsu	1,300	
Green Cross	1,640	+80
Hasegawa	322	—3
Heiwa Real Est.	545	—3
Hitachi	841	—7
Hitachi Credit	1,200	-70
Honda	1,410	30
House Food	717	+2
Hoya	2,150	—30
Itoh (C)	285	—1
Ito-Yokado	2,100	-50
Iwatsu	1,880	—20
JACCS	353	—2
JAL	3,150	—20
Jusco	834	+6
Kajima	280	—8
Kao Soap	751	—13
Kashiyama	603	—12
Kirin	545	—9
Kokuyo	988	..
Komatsu	604	—5
Konishiroku	570	—2
Kubota	308	..
Kumagai	458	—2
Kyoto Ceramic	6,130	—100
Maeda Const	475	—3
Makino Milling	1,900	..
Makita	899	+19
Marubeni	319	+2
Marudai	611	..
Marui	1,070	—20
MEI	1,640	—40
M'ta Elec Works	675	+2
M'bishi Bank	875	—10
M'bishi Corp.	539	—1
M'bishi Elec	390	
M'bishi Estate	440	+10

JAPAN (continued)

Aug. 8	Price Yen	+ or —
MHI	225	—5
Mitsui Co	327	
Mitsui Estate	640	—19
Mitsukoshi	350	
NGK Insulators	820	—11
Nihon Cement	198	—5
Nippon Denso	1,550	—20
Nippon Elect	1,200	-40
Nippon Express	314	—3
Nippon Gakki	641	—5
Nippon Kokan	137	—2
Nippon Oil	856	—24
Nippon Seiko	550	-10
Nippon Shimpan	525	—5
Nippon Steel	148	—5
Nippon Suisan	345	—7
NTV	10,990	...
Nippon Yusen	217	—3
Nissan Motor	637	-1
Nisshin Flour	501	-14
Nisshin Steel	165	—3
Nomura	719	-25
Olympus	985	-25
Orient Leasing	3,500	—50
Pioneer	2,750	-60
Renown	621	-1
Ricoh	970	-9
Sankyo	973	—4
Sanyo Elect.	505	—15
Sapporo	413	
Sekisui Prefab	675	-5
Seven-Eleven	8,600	—130
Sharp	1,050	—40
Shimadzu	529	—13
Shionogi	668	-8
Shiseido	1,130	-40
Sony	3,470	—70
Stanley	820	
S'tmo Bank	919	—1
S'tomo Elect	800	—15
S'tomo Marine	394	—4
S'tomo Metal	155	—3
Taihei Dengyo	461	—1
Taisei Corp	205	—3
Taisho Pharm	881	—1
Takeda	756	-3
TDK	5,590	—90
Teijin	323	+18
Teikoku Oil	657	+1
Tokyo Marine	580	..
TBS	725	-4
Tokyo Elect Pwr.	1,180	—20
Tokyo Gas	141	—3
Tokyo Sanyo	693	—7
Tokyo Style	725	—9
Tokyu Corp	270	..
Toppan Print	790	—3
Toray	403	-1
Toshiba Elect	390	—5
TOTO	575	—5
Toyo Seikan	755	—25
Toyota Motor	1,440	+20
Victor	2,430	—70
Wacoal	730	—2
Yamaha	505	—14
Yamanouchi	1,340	-120
Yamazaki	635	..
Yasuda Fire	295	+8
Yokogawa Bdge.	398	...

SINGAPORE

Aug. 9	Price $	+ or —
Boustead Hldgs.	2.42	-0.04
Cold Storage	3.62	—0.1
DBS	8.2	—0.7
Fraser & Neave	5.85	—0.15
Genting	5.7	..
Haw Par. Bros	2.43	—0.02
Inchcape Bhd.	3.06	..
Keppel Shipyard	2.26	—0.08
Malay Banking	9.0	—0.15
Malay Brew	6.85	..
Multi Purpose	1.28	..
OCBC	10.3	-0.2
OUB	5.05	+0.58
Sime Darby	2.26	—0.05
Straits St'mship	1.54	—0.04
Straits Trdg.	5.45	0.1
UOB	5.25	..

SOUTH AFRICA

Aug. 8	Price Rand	+ or —
Abercom	1.35	—0.1
AE & CI	7.75	—0.15
Anglo Am Coal	31	..
Anglo Am Corp	22.75	+0.7
Anglo Am Gold	154.5	+2
Barclays Bank	15.5	
Barlow Rand	11.2	+0.2
Buffels	72.5	+0.5
CNA Gallo	1.9	—0.2
Currie Finance	3.8	—0.1
De Beers	9.25	+0.4
Driefontein	48.75	-0.25
FS Geduld	51.5	—0.75
Gold Fields S.A.	27	+0.5
Highveld Steel	4.7	+0.18
Nedbank	11	+0.2
OK Bazaars	14.5	..
Protea Hldgs	1.65	-0.05
Rembrandt	23.5	+0.5
Rennies	13.9	—0.15
Rust Plat	14.67	+0.27
Sage Hldgs	7.25	
SA Brews	6.25	-0.05
Smith (C.G.)	18.05	..
Tongaat Hulett	8	..
Unisec	4.95	

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CANADA

TORONTO
Closing prices August 8

Sales	Stock	High	Low	Close	Chng
600	Abti Price	$27	26¾	27	-¼
1000	Acklands	$18½	18½	18½	+⅛
13167	Dom Dev	159	155	156	+1
12681	Denison A	$16½	16¼	16¼	
20425	Denison B I	$15¼	15	15	-⅛
8500	Develcon	$13	12¾	12¾	+⅛
3500	Dickson A I	480	470	475	+5
8200	Durham A	265	245	250	—15
57986	Dofasco A	$22	21¾	21¾	+⅛
23701	Mclan H X	$20⅛	20½	20⅛	+⅛
69715	Merland E	450	440	450	+10
8068	Molson A I	$17⅞	17¼	17¼	
200	Molson B	$17	17	17	-⅛
1000	Murphy	$21½	21¼	21¼	+⅛
730	Nat Trust	$36	35¾	36	
26740	Noranda	$19⅛	19	19¼	+⅛
1500	Tara	$15½	15¼	15¾	-⅛
4550	Teck B 1	$8¾	8⅞	8⅞	-⅛
7300	Teledyne	$9	8¼	8¼	
3100	Tex Can	$34¼	34⅛	34¼	
25150	Thom N A	$42¼	42	42¼	
23374	Tor Dm Bk	$16½	16⅛	16⅛	-⅛
8720	Torstar B I	$15	14¾	14¾	+⅛

MONTREAL
Closing prices August 8

OVER-THE-COUNTER
Nasdaq national market, closing prices

LONDON
Chief price changes
(in pence unless otherwise indicated)

RISES

Exch 10pc 1989	£91⅞	+1⅛
Tr 12½pc 1995	£108¾	+1⅞
Tr 2½pc IL 2001	£92	+1¼
Akroyd & Sm.	475	+20
Amersham Int'l	270	+10
BTR	480	+13
Bibby (J.)	337	+12
Blue Circle	402	+12
Cater Allen	450	+15
Comcap	183	+13
Crystalate	258	+15
Davy Corp.	70	+6
Gerrard & Nat.	317	+19
Gill & Duffus	174	+11
Higgs & Hill	258	+16
Laporte Inds.	330	+10
Mercury Sec.	483	+28
Smith (W.H.)	140	+6
Tate & Lyle	368	+20
Trusths. Forte	124	+6
Unitech	282	+12
Woolworth	535	+28
BP	465	+14
Lasmo	285	+12
Royal Dutch	£37¼	+2
Shell Transport	620	+26
Ultramar	280	+12
Poseidon	215	+9

FALLS

Commercial U.	193	—11
Lowe (Rob. H.)	22	—3

Continued on Page 34

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 25

LONDON STOCK EXCHANGE

MARKET REPORT

Base rate cuts unleash fresh demand for Gilts

Equity leaders rise late

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
July 30	Aug 9	Aug 10	Aug 20
Aug 13	Aug 30	Aug 31	Sept 10
Sept 3	Sept 13	Sept 14	Sept 24

* "New-time" dealings may take place from 9.30 am two business days earlier.

Lower interest rates coming hard on the heels of unexpectedly good UK money statistics ensured Government stocks of another strong following in London yesterday. Institutional investors released more of their pent-up funds and, with private clients and overseas buyers also active, Gilt-edged values surged higher. Longer-dated and index-linked issues rose a point and occasionally more, while the shorts gained as much as 11/16.

Expectations that clearing bank base lending rates would fall now that money supply has fallen back to within the target range were soon fulfilled. The authorities lowered money market intervention rates early yesterday, signalling their approval of cheaper money. A few hours later NatWest announced a cut in borrowing charges of ½ percentage point to 11½ per cent and the three other main clearers followed with similar reductions. Sterling's stability after the news was encouraging.

The £1bn issue of new Government stock was a near sell-out, applications for Exchequer 11 per cent 1989 being allotted in full at £94¼, a ¼ point above the minimum tender price; dealings in the £35-paid stock begin this morning.

Gilt trading quietened after hours but prices held near to the day's best and the Government Securities index closed 0.53 up at 79.05; this represents a rise of 3.33, or 4.4 per cent, in the past seven trading sessions.

Leading equities were reluctant for much of the day to follow the lead set by Gilts. Early proceedings tended to be dominated by speculative or secondary stocks but the situation changed late in the afternoon. Renewed heavy U.S. demand for Royal Dutch ahead of the group's interim results, due today, coupled with rising crude oil prices triggered sustained domestic support for many oil shares. Shell jumped 26 to 620p and British Petroleum rose 14 to 465p.

Interest spilled over into a wide range of top-quality industrial stocks and the reply was immediate. Minor losses were transformed into medium-sized gains and the FT Industrial Ordinary share index, marginally easier at noon, spurted higher to close a net 8.5 up at 839.0, a highest level for over two months.

Comm. Union react

Commercial Union got the Composite Insurance interim dividend season off to a decidedly shaky start, reporting a first-half loss of £14.5m; estimates had ranged to profits of possibly £10m. CU were particularly unsettled by fears that the final dividend may not be maintained and closed 11 down on the day at 183p. Other Composites were firmer at one stage, but fell back in sympathy. Royals finished 6 down at 462p, after 472p, and Sun Alliance the same amount off at 352p, after 360p. GRE were finally unchanged at 561p, after 573p.

The major clearing banks took the base rate cuts in their stride, barely stirring from slightly lower opening levels. Barclays, 458p, Lloyds, 438p, and Midland, 333p, all lost 4, but NatWest hardened a couple of pence to 637p. Still reflecting its South African subsidiary's good results, Standard and Chartered forged ahead to 502p before profit-taking brought a close of 7 down on balance at 488p. Discount Houses replied strongly to the base rate sector. Gerrard led the way with a rise of 19 to 317p, while Cater Allen moved up 15 to 450p and Union 12 to 675p. Among Hire Purchases, Provident Financial firmed 6 to 160p.

Distillers advanced 6 to 300p and thus recovered the previous day's fall that followed the proposed reorganisation of its whisky blending and bottling operations.

Blue Circle drew steady support ahead of the interim results, due later in the month, and rose 12 to 402p, but trade in other leading Buildings remained sparse. Tarmac edged up 4 to 456p and RMC hardened the same amount to 374p. Elsewhere, UBM attracted revived speculative demand on hopes of a new offer from Norcros and the close was a net 7 up at 155p. Among Contracting and Construction issues, recently-dull Higgs and Hill revived with a gain of 16 at 258p. Meyer International improved 6 to 106p in a quietly firm Timber sector.

Actively traded on both sides of the Atlantic over the last couple of days, ICI were more subdued yesterday, but still managed to improve a further 4 to 600p. Other Chemicals also continued firmly with Laporte rising 10 to 330p. Elsewhere, buying in a market short of stock lifted Amersham International 10 to 270p.

Woolworth feature

Confirmation of a downturn in credit rates prompted another generally firm session among leading Stores. Once again, much of the attention centred on the Burton / Woolworth situation: Tuesday's speculation of a merger or of a trading link received scant credence yesterday, although the disclosure that the two companies were involved in talks aimed at possible property deals stimulated fresh demand for Woolworth which spurted 28 more to 535p, after 540p—a three-day advance of 65. Burton reacted to profit-taking at the outset and dipped to 259p; sizeable institutional interest was evident at this level and the shares rallied to close only 4 cheaper on balance at 266p.

Secondary Stores retained the recent upward trend, although business remained selective. Newsagents featured W. H. Smith which attracted renewed support in front of annual results scheduled for August 22, and advanced 6 for a two-day gain of 12 at 140p. MFI improved 5 to 159p as buyers acted on a "buy" recommendation from brokers Earnshaw Haes. Bullish views on the clothing sector from a number of brokers in the wake of the encouraging June retail sales figures, coupled with a certain amount of follow-through support in sympathy with recent demand for Burton lifted Austin Reed A 7 to 92p, and J. Hepworth 4 at 266p.

Secondary issues made the running in the Electrical sector. Comment on the half-year results and proposed £7.8m rights issue directed fresh buying attention to Unitech, which advanced 12 more to 262p. Comcap featured with a fresh rise of 13 to 183p, after touching 192p at one stage. Crystalate came to life with a jump of 15 to 258p on revived hopes of the sale of the group's fine china interests. United Scientific, 295p, and Ferranti, 720p, rose 12 apiece, while Farnell improved 10 to 192p and Cray Electronics 8 to 183p.

Inclined easier for most of the day, leading Engineering picked up late and closed with little alteration on balance. GKN finished unaltered at 172p, after being down to 167p on the vendor placing of 15.8m shares at 160p per share, issued in connection with the acquisition of Beck/Arnley Corporation, of the U.S. TI held at 228p awaiting today's interim statement. Elsewhere, speculative demand left Davy Corporation 6 to the good at 70p. Westland, a dull market since news of the proposed job cuts owing to falling orders, rallied 9 to 139p.

The Food sector displayed several bright features. Tate and Lyle rose 13 to 368p awaiting the formal offer document for Brooke Bond. S. and W. Berisford were also a firm market and gained 5 to 183p. Among Retailers, Argyll rose 6 to 172p following its successful bid for Amos Hinton; the latter moved up 10 to 393p. Scottish supermarket concern William Low found support and rose 7 to 402p, while William Morrison put on 10 to 158p. Elsewhere, USM-quoted fresh produce producers Hunter Saphir attracted buyers and gained 9 to 157p.

Leading Hotels and Caterers attracted further demand. Trusthouse Forte firmed 6 to 124p, as did Grand Metropolitan, to 312p.

BTR higher

Rises in the miscellaneous industrial leaders were usually limited to a few pence or so. Revived demand, however, lifted BTR 13 to 460p, while Glaxo continued firmly at 925p, up 10. Trafalgar House closed 5 dearer at 245p following news of the ECC Offshore acquisition from British Steel Corporation. Selective support was forthcoming for secondary issues. BET put on 13 at 263p, while Initial were 21 higher at 468p. Renewed buying amid talk of a U.S. bid left Fisons 7 higher at 332p. J. Bibby, in anticipation of next week's interim results, rose 12 to 237p. English China Clays firmed 5 to 230p and UKO International a like amount to 94p. Gripperods, an old speculative favourite, put on 6 at 206p. Unsettled by the second-half profits warning, which accompanied the interim figures, Marley eased to 73p before settling 3 cheaper on the day at 75p.

Leading Properties made steady progress on small buying. Land Securities hardened a couple of pence to 289p and MEPC edged up 3 to 309p. Hammerson "A" were a strong market and rose 25 to a 1984 peak of 465p, while Capital and Counties firmed 4 to 198p. Property Security and Investment improved 2 to 131p on the satisfactory annual results and property revaluation. Elsewhere, Espley Trust met with revived demand and gained 5 to 35p, while Rosehaugh moved up 12 to a high for the year of 507p. Daejan attracted buyers and rose 10 to 245p, but Cussins Property lacked support and shed 15 to a 1984 low of 225p.

Apart from Courtaulds, 3 dearer at 121p, after 122p, leading Textiles failed to impress. Casual and sports wear manufacturers Robert H. Lowe settled 3 off at 22p in reaction to the continuing first-half deficit and omitted interim dividend; the company is to close its Swansea factory and is bearish on second-half prospects.

Stockjobbers Akroyd and Smithers remained volatile and moved between 480p and 465p before settling 20 up on balance at 475p following the latest report on the negotiations with Mercury Securities, 28 higher at 493p; Mercury holds a near-30 per cent stake in Akroyd.

The Oil majors staged a broad late advance in active trading following a fresh rise in crude oil prices and further heavy American support for Royal Dutch. Reporting second-quarter results today, the latter encountered persistent buying, which gathered pace in the after-hours' trade, and closed £2 up at £37⅛. Shell were equally in demand and settled 26 higher at 620p, while BP touched 468p prior to ending the day a net 14 to the good at 465p. Ultramar, also scheduled to announce second-quarter earnings today, jumped 12 to 260p, as did LASMO, to 285p, after 288p, and IC Gas, to 235p. Britoil were finally 5 harder on balance at 225p and Burmah 6 up at 176p.

Secondary issues provided firm features in Berkeley Exploration and Petrolex which added 5 apiece at 133p and 74p respectively. Charterhouse jumped 10 to 143p. News of two recent UK onshore oil discoveries made in conjunction with BP lifted Floyd Oil Participations 10 to 96p.

Interest in Overseas Traders, focused of late on Lonrho, switched to commodity traders Gill and Duffus which spurted 11 to 174p on steady support, most of which was attributable to yield considerations.

Golds improve

A firmer trend in the Rand rate and a steady showing by the bullion price encouraged widespread, although generally minor, gains throughout the South African sectors of mining markets.

Bullion touched a day's high of around $345 an ounce prior to closing a net $1.75 up at $345.25.

Golds advanced from the outset reflecting overnight U.S. support which followed through into London. Thereafter, persistent demand from the Continent and Johannesburg kept prices moving ahead to close at their best levels.

The Gold Mines index rose 6.6 to 527.6.

Platinums provided a firm feature in Impala Platinum which rose 17 to 955p following sizeable London support ahead of the preliminary results expected next Tuesday. Rustenburg, on the other hand, gave up 8 to 700p.

Australians improved in line with overnight domestic markets but closed below the day's best levels. Western Mining rose 7 to 220p and CRA touched 348p prior to closing a net 4 firmer at 342p.

In Golds Central Norseman jumped 15 to 318p, Poseidon 9 to 215p and Carr Boyd 2 to 54p, the last-named following the go-ahead for the Harbour Lights project.

Total contracts struck in Traded Options amounted to 5,776. Much of the increased turnover was attributable to Oils; BP recorded 415 calls, 348 done in the October 420's which rose 15 to 57p. Other noteworthy premium gains included Lasmo August 280 calls, 7 up at 17p, and Shell October 600 calls, 10 better at 37p. Elsewhere, Commercial Union attracted 408 calls and 238 puts in the wake of the interim figures, while Lonrho were again wanted and recorded 375 calls, 208 in the popular November 160's. The FTSE 100 accounted for 699 calls and 448 puts.

FINANCIAL TIMES STOCK INDICES

	Aug. 8	Aug. 7	Aug. 6	Aug. 3	Aug. 2	Aug. 1	year ago
Government Secs	79.05	78.52	77.90	77.96	76.70	76.07	78.99
Fixed Interest	82.50	81.58	81.56	81.76	80.74	80.45	82.14
Industrial Ord	839.0	830.5	830.5	831.4	809.1	795.2	726.4
Gold Mines	527.6	521.0	538.3	514.4	504.7	485.7	526.1
Ord. Div. Yield	4.90	4.98	4.95	4.94	5.06	5.18	4.29
Earnings Yld % (full)	11.50	11.87	11.57	11.57	11.90	12.13	9.13
P/E Ratio (net) (*)	10.48	10.45	10.43	10.41	10.15	9.94	15.67
Total bargains (Est.)	18,959	18,153	12,158	19,296	16,450	16,811	18,002
Equity turnover £m.	—	246.67	260.17	301.08	276.96	214.49	205.01
Equity bargains	—	14,275	16,457	16,489	12,556	11,725	18,320
Shares traded (ml)	—	112.5	134.2	174.6	143.8	137.6	133.2

10 am 831.6. 11 am 831.0. Noon 830.2. 1 pm 832.0. 2 pm 833.9. 3pm 834.7.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=10.03. † Corrected.

HIGHS AND LOWS / S.E. ACTIVITY

	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	83.77 (9/1)	75.72 (30/7)	127.4 (9/1/35)	49.48 (3/1/75)
Fixed Int	87.48 (14/3)	80.43 (30/7)	163.4 (28/11/47)	50.03 (3/1/75)
Ind. Ord.	922.8 (3/5)	726.3 (23/7)	922.8 (3/5/84)	49.4 (26/6/40)
Gold Mines	711.7 (9/3)	485.7 (1/8)	734.7 (15/2/83)	43.6 (26/10/71)

	Aug 7	Aug 6
Daily		
Gilt Edged Bargains	173.4	189.4
Equities Bargains	94.4	106.2
Value	498.6	625.6
5-day Average		
Gilt Edged Bargains	174.5	171.8
Equities Bargains	94.4	90.8
Value	545.1	610.0

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	101	0	2
Corpns, Dom. and Foreign Bonds	39	0	40
Industrials	329	128	952
Financial and Props.	185	40	298
Oils	33	13	74
Plantations	0	4	16
Mines	63	27	86
Others	58	[illegible]	112
Totals	808	296	1,579

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug 6	Aug 17	Nov 8	Nov 19
Aug 20	Aug 31	Nov 22	Dec 3
Sept 10	Sept 21	Dec 6	Dec 17

For rate indications see end of Share Information Service.

Stocks favoured for the call included Hongkong Land, Yorkshire Chemical, Berkeley Exploration, Bougainville, Elsiever, Palliser, GEC and Asia Oil. No puts or doubles were reported.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Akroyd and Smithers	475	+20
Burton	266	−4
Comcap	183	+13
Commercial Union	183	−11
Crystalate	258	+15
ICI	600	+4
Lasmo	285	+12
Royal Dutch	£37⅛	+2
Shell Transport	620	+26
Tate and Lyle	368	+13
Ultramar	260	+12
Woolworth	535	+28

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Glaxo	18	915	+5
ICI	18	596	[illegible]
Burton	17	270	+16
[illegible]			

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Wed Aug 8 1984 — Tues Aug 7 — Mon Aug 6 — Fri Aug 3 — Thurs Aug 2 — Year ago (approx.)

Figures in parentheses show number of stocks per section

[illegible]

FIXED INTEREST

PRICE INDICES — AVERAGE GROSS REDEMPTION YIELDS

[illegible]

BRITISH GOVERNMENT INDEX-LINKED STOCKS

[illegible]

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

[illegible]

TOTAL VOLUME IN CONTRACTS: 31,644

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

[illegible]

Aug. 8. Total Contracts 5,776. Calls 3,958 Puts 1,818.

*Underlying security prices.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ||| Allotment letters (or fully-paid). ‡ Introduction. ◆ Unlisted Securities Market. § Placing price. †† Official London Listing. ‡ No par value.

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (54)

[illegible]

NEW LOWS (16)

[illegible]

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
100	99	Treas 12pc 1984	99	+	12.01	11.78
105¼	103	Treas. 15pc 1985	102	+	14.69	10.84
102	100	Exch. 12pc Cnv. '85	100	+	11.94	11.09
95	93	Treas 3pc 1985	94	+	3.19	11.08
107	99½	Treas 11½pc 1985	100	+	11.45	10.99
99	96	Treas 8¾pcCnv '85	97	+	8.96	11.21
104	99	Exch. 12¼pc 1985	101	+	12.13	11.20
103	99	Exch. 11¼pc '86	100	+	11.68	11.33
102	96	Treas. 10pcCnv 1986	97	+	10.22	11.39
90	88	Treas 3pc 1986	89	+	3.34	9.34
102	96	Exch 10½pc Cv '86	98	+	10.63	11.25
104	99	Treas 12pc 1986	100	+	11.90	11.42
98	93½	Treas 8½pc 1984-86‡‡	94	+	8.96	11.53
108	102	Exch. 14pc 1986	104	+	11.41	11.65
87¼	85	Exch. 2½pc 1986	86	+	2.01	9.44
107	100	Exch. 13¼pc 1987	103¼	+	12.85	11.71
100	94½	Treas 10¼pcCv '87	96	+	10.60	11.80
86½	83½	Exch 2½pc 1987	84	+	2.97	9.62
101	94½	Exch. 10½pc 1987	96	+	10.87	11.99
92	87	Funding 6½pc '85-87‡‡	88½	+	7.34	11.50
99	92	Treas. 10pc 1987	95	+	10.51	12.02
85	81	Treas 3pc 1987	83	+	3.61	9.76
105	97	Treas. 12pc 1987	99	+	12.05	12.09
94	87	Treas 7¾pc 1985-88‡‡	89	+	8.68	11.59
100	92	Exch 10½pc '88	95	+½	11.05	12.17
98	89	Treas 9¼pc Cv '88	93	+½	10.48	12.05
82	77	Transport 3pc '78-88	77	+	7.85	9.99
96	88	Treas 9½pc '88	90	+	10.48	12.38
106	94	Treas 11½pc 1989	97¾	+	11.76	12.38

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BEERS, WINES—Cont.

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
95	65	Marley	75	–5	†3.2	2.1	6.2	10.3
58½	40	Marling Ind. 10p	52		1.3	♦	3.6	♦
46	29	Marshall L'xy. 'A'	33		1.2	3.6	5.2	(5.9)
*54	37	Marshall's Univ	48		♦H1.75	—	5.2	14.4
30	20	Martin-Black	22♦		—	—	—	—
£108	£88	♦Mathesons 7¾%	£98		Q7¾%	2.5	♦8.2	—
378	287	Metal Box £1	326		15.0	5.0	6.6	5.3
220	129	Metal Closures	172		6.3	2.3	5.2	(9.5)
27	15	♦Metal Sciences 2½p	17		—	—	—	—
19	0	Metamec Jentique	11	+1	0.81	—	—	—
133	03	♦Midland Marts	90		4.0	1.8	6.3	11.4
64½	45	Mitchell Cotts	52	+1	3.62	1.0	8.9	15.0
29	13	Molins Grp 1p	14		0.5	2.5	5.1	(8.8)
168	132	Morgan Crucible	154		7.5	1.2	7.0	15.0
18	13½	♦Morris (W) Fine Arts	15½		bq0.25	4.0	2.3	14.2
*95	80	Moss (Robt.) 10p	92		2.5	2.9	3.9	12.2
330	197	♦NMW Computers	305	–3	6.0	3.0	2.8	17.0
65	47	Nash Inds.	48		4.0	2.2	12.9	3.4
47	30	Neil&Sp'ncer10p	33		—	—	—	14.2
33	16	Newman Indusits	20		—	—	—	(11.3)
31	16½	Do. 10pc Cm. Cnv. Pf.	20½		10%	—	7.0	—
67	43½	Nolton	50		1.0	2.9	2.9	17.6
175	132	Norcros	149	+1	7.5	2.4	7.2	7.9
86	59	Nu-Swift 5p	66	–1	—	—	—	12.9
180	50	Oakwood Grp.	65		♦d6.5	—	‡	—
190	145	Office & Elect	165		7.5	2.8	6.5	7.4
875	700	Oriflame Intl SA	800		Q53c	2.2	4.3	10.0
46	26	Owenstone 12½p	26		Q4.5c	2.2	9.2	4.9
£146	£120	Ozalid Fin. Cv.	£134		Q9%	—	♦6.8	—
190	155	♦PCT Grp 10p	155	–5	bq4.8	♦	4.3	♦
207	152	Parker Knoll 'A'	152	–2	8.5	3.0	8.0	5.7
265	197	Pauls	213	–2	8.5	2.8	5.7	7.0
590	403	Pearson	538	+5	14.0	2.7	3.7	12.4
35	21	Peek Holdings	21		—	—	—	—
107	89	Peerless	98	+1	6.3	.15	9.2	(9.0)
105	55	Pentland 10p	105		h1.74	2.4	2.4	(20.0)
26	17	Pentos 10p	23		B-	—	—	40.7
35	27	Phillips Patents	35		1.25	1.0	3.3	(32.0)
810	545	Photo-Me 50p	780		♦h7.88	6.6	1.6	10.6
350	222	Pilkington Br. £1	275	+6	11.5	2.7	6.0	6.9

LEISURE—Continued

1984 High	Low	Stock	Price	+ or –	Div Net
38	10	♦Nimslo Int 20c	11		—
145	112	Norton Opax 10p	122xd		63.[illegible]
31½	14½	♦Owners Abroad	15½		0.75
66	35	Photax (Lon.)	43	–1	—
29½	22	♦P'dilly Radio NV 5p	22		b1.[illegible]
130	75	♦Pineapple Dnc Sl 10p	85		d1.[illegible]
420	285	Pleasurama 5p	315	+3	6.[illegible]
158	75	♦Radio City 'A' NV	75		5.[illegible]
70	35	♦Radio Clyde N/V	55		3.[illegible]
148	48	Riley Leisure 10p	64	+1	4.[illegible]
118	94	Saga Hols. 20p	99		3.75
390	290	Samuelson Grp £1	350	+5	d12.[illegible]
27½	19	♦Sangers Photo 10p	19		bq1.25
164	98	Scott. TV 'A' 10p	152		0.[illegible]
285	186	SeaCo Inc $0.125	277	+9	—
35	18	♦SelecTV 10p	18		—
57	24	TSW 5p	29½		1.[illegible]
150	79	♦TVS N/Vtg 10p	150	+1	†2.[illegible]
30	22	♦Television Svcs 10p	23½	+½	g0.[illegible]
90	60	Tottenham Hotspur	69		b4.[illegible]
161	120	Trid'nt TV 'A' 10p	152	–4	†5.[illegible]
168	100	♦21st Century Dist.	100		—
197	135	♦Tyne Tees TV 'A' £1	155		8.2[illegible]
85	53½	Ulster TV N/V 'A'	75		b4.[illegible]
25½	17	Webb (Jos.) 5p	19	+½	d0.5[illegible]
90	80	Zetters 5p	89		†3.[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1984 High	Low	Stock	Price	+ or –	Div Net
76	38	BL 50p	42	–1	—
66	50	♦Coleman Milne 10p	60		♦1.[illegible]
255	227	Gen. Mts. Units	227		Q12[illegible]
464	294	Honda Motor Y50	441	–9	Q23%
85	55	Lotus Car 10p	63	+1	—
46	20	♦Reliant Motor 10p	35		—
£22	£16½	Volvo Kr25	£21¼xd	–¼	wQ23%

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

Australians

Tins

Miscellaneous

NOTES

REGIONAL & IRISH STOCKS

OPTIONS — 3-month call rates

"Recent Issues" and "Rights" Page 27

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard, EC4P 4DX. 01-236 1833

High Income				
Gilts & Fixed Int.	111.9	110.4	+2.1	10.14
High Inc Equity	60.1	54.6	+0.5	6.64
Capital Growth				
American Growth	108.0	114.9	+0.1	1.91
Assets & Ergs. Tt.	58.9	63.0	+0.6	1.59
Capital Reserve (z)	52.9	53.2	+0.1	0.79
Commodity & Engy.	70.0	74.9	+0.1	1.60
General	89.0	95.2	+1.1	3.50
Japan	111.3	146.4	+0.1	0.18
UK Growth	56.5	60.7	+0.3	1.80
Acc. Units	78.9	84.8	+0.4	2.80
U.S. Emerging Co's	61.5	54.8	+0.1	0.47
Worldwide Bond	143.5	152.7	+0.2	5.47
Equitas Prog.	130.2	139.3	+1.5	3.83

Aitken Hume
30, City Road, EC1Y 2AY. 07-628 6676

American Tech Fd	124.9	133.7	+0.9	0.20
Inc & Gwth Fd	33.0	36.2	+0.4	4.85
Pacific Fd	129.0	138.0	−1.0	0.30
Secured Income Fd	120.8	179.3	+1.0	6.32
Special Sits	147.0	137.3	+0.4	1.56
Energy Fd	37.2	79.8	+0.5	0.60
American Majors	50.0	53.5	−0.6	3.00
Small Co's Fd	249.1	266.8	−2.0	1.97
Jap. Technology	55.0	58.9	−0.5	0.20

Allied Unit Trusts Limited (a)(g)
Allied Hambro House, Hutton, Brentwood, Essex
Brentwood. (0277) 211459 & 229123

Balanced Trusts				
First Trust	135.6	143.7	+1.8	4.71
Growth & Income Tst.	85.8	91.0	+1.2	4.10
Capital Trust	161.3	171.0	+1.8	3.45
Balanced Trust	232.6	246.6	+2.8	4.03
Accum. Trust	341.4	361.9	+4.7	3.68
Income Trusts				
High Income Trust	151.7	160.8	+1.6	5.68
Equity Income Trust	81.5	86.4	+0.8	6.41
High Yield Trust	100.2	106.2	+0.9	6.97
Govt. Secs. Trust	27.0	79.0	+0.6	9.00
International Trusts				
International Trust	56.0	59.4	+0.1	2.53
Japan Trust	54.1	57.3	−0.2	0.01
Pacific Trust	104.7	111.0	+0.1	1.60
Amer. Spec. Sits. Tst.	51.0	54.1	−0.2	1.37
Secs. of Amer. Tst.	151.1	162.3	−1.0	1.51
Specialist Trusts				
Allied Asset Value	129.6	137.4	+1.7	4.33
Gilt Growth Trust	30.3	31.7	+0.8	3.56
Smaller Co.'s Trust	83.4	88.4	+0.5	3.18
2nd Smlr. Co's Trust	110.7	117.3	+0.5	2.87
Recovery Trust	44.9	47.6	+0.3	1.54
Met. Min. & C'dty. Tst.	90.2	95.6	+0.7	2.79
O'seas Earnings Trust	124.1	111.5	+1.3	3.89
Technology Trust	81.2	86.1	−0.2	1.16

Britannia Group—Continued

General Funds				
Capital Acc	171.3	111.7	+1.1	1.42
Comm. & Ind	91.4	97.5	+1.1	2.82
Domestic	70.6	83.8	+0.7	3.56
Growth	131.6	141.8	+1.3	2.24
Shield	82.5	88.0	+0.9	2.49
Exempt Funds				
Exempt	270.6	291.7	+7.5	4.99
Ex. Mkt. Ldrs	54.3	56.9	+0.6	3.12

Brown Shipley & Co. Ltd. (a)(g)
9-17 Perrymount Rd, Haywards Hth 0444 458144

B.S. Fund	40.9	44.3	+0.5	4.72
B.S. Accum	64.8	70.3	+0.7	4.77
Financial	76.3	82.1	+1.3	3.54
Growth Accum	115.1	146.8	+1.3	—
Growth Income	89.8	97.5	+0.9	2.23
High Income	30.0	41.6	+0.3	7.83
Income	44.0	47.1	+0.3	6.24
North American	49.2	53.1	+1.0	1.80
Orient	44.1	44.0	−0.1	0.20
Recovery	23.4	25.4	+0.1	4.11
Technology	140.0	152.0	−0.7	0.58
Exempt	135.3	145.1	+1.0	4.76

Buckmaster Management Co. Ltd. (a) (c)
The Stock Exchange, EC2P 2JT. 01-588 2868

General Inc August 7	125.9	112.6	...	3.45
Accum Units August 2	191.0	201.9	...	1.43
Income Aug 0	66.9	70.1	+2.1	7.29
Accum Units Aug 0	106.9	112.0	+1.4	7.29
Intl Aug 7	98.4	104.0	...	3.07
(Accum Units) Aug 7	126.0	113.4	...	1.07
Smaller Co's Aug 1	798.8	859.1	...	1.49
(Accum Uts) Aug 3	832.4	895.8	...	1.49

Canada Life Unit Trust Mngrs. Ltd.
2-6 High St, Potters Bar, Herts. P Bar 51122

Can. Gen Dist.	73.7	77.5	+0.7	3.49
Do. Gen. Accum	111.3	117.1	+1.1	3.49
Do Income Dist.	52.5	55.2	+0.4	6.64
Do. Inc. Accum.	98.1	103.3	+0.9	6.64
Gilt & Fxd. Int. Trust	12.2	13.8	+0.4	—

Cannon Fund Managers Ltd. (z)
1, Olympic Way, Wembley, HA9 0NB. 01-902 8076

Growth	179.9	191.9	+0.1	4.32
Income	208.0	221.3	+0.1	3.94
Far East	107.9	114.8	+0.1	0.69
North American	103.8	110.4	+1.4	2.82

Capel (James) Mngt. Ltd.
100, Old Broad St, EC2N 1BQ. 01-588 6010

Capital	194.2	205.5	+8.0	1.94
Income	156.1	164.6	+1.6	6.62
North American	210.8	221.9	+7.7	1.19

Prices on Aug 8. Next dealing Aug 13.

Cater Allen Unit Tst Managers
1, King William St, EC4N 7AU. 01-623 6314

Cater Allen Gilt Tst	100.9	106.1	+1.0	11.45

Cent. Bd. of Fin. of Church of England‡‡
77 London Wall, EC2N 1DB. 01-588 1813

Inv Fd July 31		270.75	...	5.17
Fxd Int Secs July 31		121.09	...	11.81
Dep Fd Mnt July 31		100.0	...	10.00

Charinco Charities N/R Fund‡‡

[illegible]

Robert Fleming & Co Ltd
8, Crosby Square, EC3 8AN. 01-638 5858

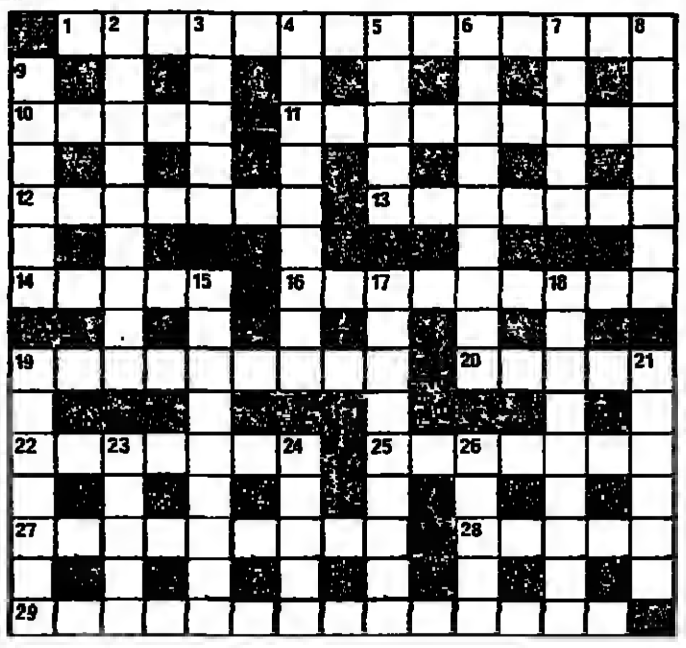
Am Ex Fd*	£252.48	258.19	...	1.20
Jap Ex Fd*	£182.28	100.12	...	1.44

Next subscription day Aug.16 1984
*Fleming American Property Unit Trust
Latest issue price (15/5) US$11.248.
Units are issued on Feb 15, May, Aug, Nov.
*Fleming Property Unit Trust
Latest issue price (24/6) £2,085.
Units are issued on March 25, June 24, September 29 & December 25.
*Unauthorised.

INSURANCES

[illegible]

F.T. CROSSWORD PUZZLE No. 5,487



ACROSS

1 Thirty-second note to a player (14)
10 Poem to include a side-compound (5)
11 Deep-heat treatment of the myriad uses (9)
12 Swimmer cured of being left in Panama (7)
13 The last train? (7)
14 Group of three in Chinese society (5)
16 Army wash-house built on, as ordered (9)
19 Holed vessel of seal-conservationist? (9)
20 It is much in evidence in the Ravel bowing-method (5)
22 As rich as pop-star after rocking (7)
25 Computer, for example, shows Bennett's card gaining point (7)
27 Any citric product of complexity (9)
28 *Hold fast—it is a waste!* (5)
29 Losing cohesion—or rioting instead, perhaps (14)

DOWN

2 Daily voice of the leader (9)
3 At home, pet misbehaves — how silly! (5)
4 Senior worker, leader at bridge? (5, 4)
5 In Genesis is one account of him (5)
6 Leading-lady of the cinema (9)
7 Five Irish characters in Limerick, say (5)
8 Early mutiny on vessel that has no beams (7)
9 Fighting doctor in a jacket (6)
15 He advises on correct fare (9)
17 In unhappy mood, Larry is chained in the office (4, 5)
18 Essential part of score improved Gobbi a lot (9)
19 Bore transported (7)
21 Wound leaves when the war is over (6)
23 Position in meditation means much to America (5)
24 Short prayer, even shorter than 1 across? (5)
26 e.g. Space-Shuttle occupation (5)

Solution to Puzzle No. 5,486

INSURANCE, OVERSEAS & MONEY FUNDS

Liberty Life Assurance Co Ltd
Station Rd, New Barnet. 01-440 8210
Fund Managers, Touche Remnant & Co.

Sel Sel A	23 8	25 1	....	—
Blue Chip	18 6	19 6	....	—
Fixed Yield	11 0	10 8	....	—
Guaranteed Mny	15.5	16.4	....	—
Managed	17 4	18 4	....	—
International	23 7	24 5	...	—
Property	14.0	15 3	....	—
Pacific	11 1	18 1	....	—
Equity	13.8	14.6	....	—
Special Sits	10 6	10 7	....	—
Int Currency	13.3	14.1	....	—
Index Linked Secs	10 4	11 0	....	—
American	17.4	18.4	....	—

Life Assur. Co. of Pennsylvania
8, New Rd, Chatham, Kent. Medway 812348

LACOP Units	15 49	14 17		—

Lloyds Life Assurance
20, Clifton St, EC2A 4HX. 01-920 0202

Multi Gwth August 6	£2.65792		....	—
Multi Gwth 'A' Aug 6	247.3	255.1	....	—
Op 8 Prop Aug 2	295.0	268.5	....	—
Op 8 Equity Aug 7	303.5	319.3	....	—
Op 8 Hy Aug 2	250.0	261.2	....	—
Op 8 Man Aug 2	298 8	314 6	....	—
Op 8 Dep Aug 7	194 8	205 1	....	12 10
Op 8 Int Bond Aug 2	163.2	111.8	....	—
Op 8 Inc Dist Aug 2	131.1	138.0	....	8.90
Op 8 Int Man Aug 2	173.3	101.4	....	—
Op 8 US$ Aug 2	140.9	148.4	....	12.12
Pens B Pr Ac July 21	319 0	339.8	....	—
Pens B Eq Ac July 31	784.6	825.9	....	—
Pens B FI Ac July 31	356 5	375 3	....	—
Pens B Md Ac July 31	504 4	531.0	....	—
Pens B Do Acc July 31	304.4	320.5	....	—
PensBGart Glob July 15	871 0	938.0	....	—
Pens B Gart NA July 15	974.0	1026.0	....	—
PensBGart Pac July 15	862.0	908 0	....	—

For Pensions Capital Units please ring extension 519.

Britannia Funds—Series A

Am Smaller Co's Aug 1	111.1	173.9	....	—
Am Spec Sits Aug 1	138.5	145.8	....	—
Commodity Aug 8	73.8	77.7	+4.8	—
Extra Inc Aug 8	110.9	116.8	+1 2	—
Far East Aug 8	102 8	108.3	+10.8	—
Fin Secs Aug 8	136.2	143 4	+5.1	—
Gold & Gen Aug 8	82.4	86.8	+5.8	—

National Provident Institution
48, Gracechurch St, EC3P 3HH. 01-623 4200

Managed	174 8	184 1	+1 4	—
UK Equity	181.6	191.2	+1 8	—
Overseas Eq	114.3	103 9	−0.8	—
American	100.0	189.5	−0.2	—
Far East	163 5	172 2	−0 5	—
Property	110.2	116 0	+0.2	—
Fixed Int	152 8	160 9	+1.2	—
Indexed Gilt	96.7	101.8	+1.1	—
Deposit	111 0	116 9	....	—

Pension Fund Prices

Man. Initial	172 5	181.6	+1.5	—
Man Acc.	189.2	199.2	+1 7	—
UK Eq. Initial	169 1	178.1	+1 7	—
UK Eq.	183 1	192 8	+1 9	—
Overseas Eq Initial	193.6	203 8	−0 8	—
Overseas Eq	219 2	230 8	−0 8	—
American Initial	192.9	203.1	−0 2	—
American	209 4	220.5	−0.2	—
Far East Initial	203.5	214 3	−0.1	—
Far East	221 5	211 7	−0 8	—
Prop. Initial	105.3	110 9	+8 1	—
Prop	114.1	120 4	+0 1	—
Fixed Int. Initial	135.9	143.1	+2.9	—
Fixed Int	147 2	155 0	+3.1	—
Indexed Gilt Initial	91.6	96.5	+1.1	—
Indexed Gilt	99 6	104 [illegible]	+1 3	—
Deposit Initial	109.5	115.[illegible]	....	—
Deposit	119 4	125 [illegible]	....	—

NPI Pensions Management Ltd.

Managed Fund	451.5	463.1	....	—

Prices Aug 1. Next dealing August 8.

New Zealand Sth. Brit. Insce. PLC
Maitland House, Southend SS1 2JS 0702 62955

Kiwi Key (Managed)	329 3	339.5	+16.7	—
UK Equity	142.4	149 9	−0 1	—
American	243.1	255.9	+2.5	—
Pacific	336.1	353.7	−1.3	—
Property	149 5	131.5		—
Gilt	173.0	180.0	+0.6	—
High Inc. Equity	135.4	142.5	−0 2	—
High Inc. Fxd. Int.	101.1	106.4	+1.4	—
Deposit	146.4	134 1		—
Index-Linked Gilt	99.3	104.5	+0.8	—

Norwich Union Insurance Group
PO Box 4, Norwich NR1 3NG. 0603 22200

NUIS (Managed Funds) Ltd.

[illegible]

OFFSHORE AND OVERSEAS

[illegible]

Money Market Trust Funds

[illegible]

Money Market Bank Accounts

[illegible]

NOTES

[illegible]

Sheepmeat regime 'has failed to iron out lamb price variations'

BY RICHARD MOONEY

A NEW attack on the EEC sheepmeat regime, which is highly remunerative to Britain, was made in Brussels yesterday by the Community's Court of Auditors.

In a report on the scheme, the court said it had failed in its main aim of ironing out lamb price differences in France and Britain, the two biggest lamb markets in the EEC. In fact the opposite effect had been achieved, with prices falling in Britain and rising in France.

As a result, the cost of the regime had risen to £180m last year, £170m of it going to British producers.

The scheme, under which British farmers get a deficiency payment to bridge the gap between the market price and the EEC support level, had done nothing to ensure market stability or cope with potential problems at reasonable cost, the auditors said.

Its operation was "not easy to reconcile with the principles of sound financial management of Community funds," they added.

The report, the latest of a series of attacks on the regime, will make it still more difficult for British Ministers to maintain their defence of the deficiency payment system, especially as Britain is currently pressing for stricter control of EEC spending.

It has already been criticised by British MPs and last week the House of Lords Committee on the European Communities called for the scrapping of the deficiency payments system, which it said discouraged exports of British lamb because the payments were "clawed back" when the meat went for export.

British pig farmers have also been pressing for a rethink on sheepmeat price support, claiming the present system gives lamb an unfair advantage over pork in UK shops.

The National Farmers Union has warned, however, that the ending of deficiency payments would raise UK prices for lamb and so depress consumption.

The EEC auditors have also called for curbs on lamb imports under the special arrangement with New Zealand. This has been intended to stabilise New Zealand imports but in fact had boosted them, they claimed.

The National Farmers Union (NFU) said in a statement last night: "We have yet to study the details of the European Committee's Court of Auditors report on the sheepmeat regime but we strongly oppose any suggestion to abolish or substantially change our variable premium scheme.

"The sheepmeat regime was drawn up as a compromise to solve the lamb war between France and the UK.

"It enables the level of returns throughout the Community to be made up to a common level. At the same time it bridges the gap between low consumer prices in the UK and high prices in France, while allowing entry of low-priced New Zealand lamb into the Community."

"This is not to say that the sheepmeat regime is perfect," the NFU said. "The union is aware of this and has proposed amendments which would reduce its cost.

"The union agrees with the court of auditors on the need to have more effective control on New Zealand imports. As domestic production increases, imports should be correspondingly reduced."

Sugar export rebates higher than expected

By our Commodities Staff

THE GRANTING of export rebates at a higher rate than expected at yesterday's Brussels sugar tender was seen as evidence of competitive bidding for licences as the supplementary tender series neared its end, London traders said.

The EEC Commission granted export licences on 41,200 tonnes of white sugar with a maximum rebate of 42.166 European Currency Units per 100 kilos.

Though the traders veiwed the result as "constructive" for the market, futures prices still closed lower, the December position losing $1 to $130.50 a tonne. But this was $1.10 above the low for the day.

● THE SOVIET Union has bought another 100,000 tonnes of U.S. maize, adding to the 8.5m tonnes bought since June 29, the U.S. Agriculture Department said.

● SARAWAK, the world's largest pepper exporter, exported a total of 4,053 tonnes of pepper valued at ringgits 19.7m (£8.2m) in the first four months of this year.

● THE INDIAN Government has approved development of a new bauxite mine in the eastern state of Orissa. It is to produce 600,000 tonnes a year, to be used by the state-owned Bharat Aluminium Co at Korba in Madhya Pradesh.

● INDONESIA will export an average of 20,000 tonnes of crude palm oil a month for the next five months, says the official Antara News agency.

● THAILAND'S alcohol industry is to get 11 distillation plants to convert cane sugar molasses into alcohol as part of a programme to modernise the industry, says Fried Krupp, the West German supplier for the plants.

Brazil puffs toward tobacco supremacy

BY OUR OWN CORRESPONDENT

THE TIME could be approaching when Brazil becomes the Western world's leading tobacco producer, displacing the U.S.

In the past decade Brazil has come from exporting no tobacco at all, to earning almost $0.5bn last year from exports of 197,000 tonnes—almost half production.

The U.S. produces 600,000 tonnes, and earns $2.5bn from tobacco and cigarette exports. Its growers are under pressure from rising costs, and lower internal demand.

Brazil's success is fundamentally due to unbeatable production costs: 150,000 growers, with farms averaging only 22 hectares and devoting less than 10 per cent of that to growing tobacco, can still make a profit, even if they are paid only a dollar per pound. And farmers use cheap family labour.

This contrasts with the $30 a day which the U.S. plantations pay to tobacco workers.

Brazil's small farmers raise livestock, and grow subsistence crops on the rest of their land, in the three southern states of Brazil.

Most also have tobacco drying kilns, which the 19 tobacco buying companies active in Brazil helped to finance and build. The farms also provide the wood needed to fuel the kilns.

One main reason why tobacco exporters have become so importaot in Brazil, is that the internal market for cigarettes—the Western world's third largest—after the U.S. and Japan—has been declining for the past four years.

During the 1970s, demand grew by an average of 7 per cent a year. But it has dropped back by 8 per cent in the past three years, and is falling fast again this year.

Souza Cruz, the BAT subsidiary which makes about 80 per cent of the cigarettes sold in Brazil, is now responsible for about a third of tobacco exports. This has helped keep the company profitable in recent years when sales have been low.

Souza Cruz, which buys its tobacco from 40,000 small farmers, has an unusual relationship with them. All inputs are supplied at cost, and in some cases free. Fertilisers, seeds and seedlings for the forestry plantations, are delivered without middleman participation.

The company's 700 agronomists visit farmers frequently. Souza Cruz arranges for tobacco to be collected from the farmers when it needs it, and undertakes to buy all the tobacco grown by its farmers, whatever the quality.

All this has been regarded with alarm, if not hostility, by visiting U.S. growers. As well as paying market rates for labour, they usually have to buy all inputs from wholesalers, to arrange transport to tobacco buyers, and pay the agronomists. They also have to help finance a large carry-over stock.

U.S. growers want strong action against Brazil. The duty on Brazilian tobacco was doubled to 36c per lb last year, and grower associations are calling for "redoubled efforts" to keep out the upstart.

However, 13 of the 19 tobacco companies buying in Brazil are American. Almost a third of Brazil's tobacco exports went to the U.S. last year, and much of that was re-exported.

The U.S. is now a net importer of tobacco, but earns $1.2bn from exports of cigarettes. After the U.S., the EEC countries from Brazil's major markets, with the UK in the lead.

Until the 1930s Brazil still imported some quality tobaccos to blend with low flavour "filler" types. But because high quality Virginia and Burley types have proved so successful, the situation has now completely switched round.

Brazil now produces 19 per cent of all the Virginia tobacco traded around the world. With plenty of spare land, and with farmers anxious to plant more tobacco, output could easily double.

Until recently, Brazilian tobacco was considered poor quality, but it has now become acceptable in all markets. Brazil has been able to take advantage of the downgrading and the consequent increase in demand for cheaper tobaccos, of the quality Brazil alone is now able to supply at the same cost.

If the U.S. is condemned to fade away as a tobacco producer, it is widely felt in Brazil that Zimbabwe will not regain the dominant position it once had either.

Its tobaccos have to pay 10 per cent duty, but qualities from Zimbabwe are considered here to be in irreversible decline.

Brazilian growers fear that, once inside the Common Market, low quality producers such as Portugal, Spain and Turkey, will persuade the EEC to keep Brazilian tobaccos out.

Because cigarettes sales in all developed countries are static or declining, Brazilian tobacco salesmen are having to cast their net wider.

China is becoming an important new market, with high quality Brazilian tobaccos being blended in with poor quality local varieties. The great prize on the horizon is Japan, at the moment almost exclusively supplied by the U.S. But the world's second largest market for cigarettes could eventually be up for grabs.

Gas oil outlook bearish

BY NANCY DUNNE IN WASHINGTON

U.S. STOCK figures released late on Tuesday by the American Petroleum Institute were expected to have little influence on the choppy, see-sawing market.

Crude oil imports, on a daily average basis, rose slightly from 3.015m barrels on the week ending July 27 to 3.096m the next week.

Meanwhile, over the same time period, crude oil stocks fell to 352m from 356m.

Total gasoline stocks also fell from 237.5m to 236m. However, they were up from 225.7m in the week of August 5, 1985.

Distillate fuel oil stocks rose from 125m to 127m during the week ending August 3.

Analysts said no trends are discernible from the stock figures, but the long-run outlook remains bearish.

London coffee prices rise

By Our Commodities Staff

LONDON coffee futures prices, for delivery in September and November, rose yesterday on forecasts of a cut in export quotas allocated under the International Coffee Agreement reducing available supplies to the market this year.

The November position gained £13 to £2,290.5 a tonne.

Adjustment assistance recommended for copper industry

BY NANCY DUNNE IN WASHINGTON

THE FEDERAL Trade Commission (FTC) has recommended that any relief granted by President Reagan to the U.S. copper industry be in the form of adjustment assistance for both companies and laid-off workers.

The FTC recommendation was submitted to the trade policy staff committee, which is studying options for the President, who must decide by September 14 if relief is to be granted.

The International Trade Commission (ITC) has determined that the U.S. copper industry has indeed been injured by imports. However, the five ITC commissioners were unable to agree on an appropriate remedy for the injury.

Two commissioners recommended a supplemental tariff on imports of both blister copper and unwrought copper of 5 cents per pound for five years. That increase, according to the FTC report, would result in consumer losses to the economy of $335m per year and losses to the economy of about $5m per year.

Two other commissioners recommended imposition of annual import quotas totalling 425,000 tonnes for a five-year period. Such a quota would cost U.S. consumers $268m per year.

PRICE CHANGES

In tonnes unless stated otherwise	Aug. 8 1984	+ or −	Month ago
Metals			
Aluminium	£1100		£1100
Free Mkt	$1165/1175		$1180/1220
Copper			
Cash h Grade	£1009.25	+7.25	£997.5
3 mths	£1029.25	+5.5	£1018.75
Cash Cathode	£1011	−5	£1008
3 mths	£1027.5	+4.5	£1020
Gold troy oz	$345.25	+1.75	$341.5
Lead Cash	£346.5	−7	£369.5
3 mths	£347.25	−5	£386.5
Nickel	£5203		£5203
Free Mkt	208/228c		207/227c
Palladium oz	$136.25	+0.25	$137.75
Platinum oz	$352.75	−0.25	$350.25
Quick Silver	$305/315		$295/305
Silver troy oz	578.95p	+14.85	552.05p
3 mths	592.95p	+16.7	567.60p
Tin cash	£9490	−10	£9488
3 mths	£9422.5	−10	£9375
Tungsten	£85.55		£85.55
Wolfram 22.04lb	$76/80		$83/87
Zinc	£663.5	+13.5	£630.5
3 mths	£657.25	+16.75	£641.5
Producers	$990		$990/1040

	Aug. 8 1984	+ or −	Month ago
Oils			
Coconut (Phil)	$1395y	+60	$1590
Groundnut			
Linseed Crude			
Palm Malayan	$570z		$550
Seeds			
Copra Phil	$730u		$680
Soyabean (U.S.)	$273.25z	+0.25	$275
Grains			
Barley Fut.Nov.	£109.40	−0.15	£109.48
Maize	£149.50		£154.00
Wheat Fut.Nov.	£110.35	+0.10	£110.65
No2 Hard Wint.			
Other commodities			
Cocoa ship't	£2020	−6	£1850
Future Dec.	£1673.5	−2.5	£1603
Coffee Ft. Nov.	£2990.5	+13	£1815
Cotton A Index	76.90c	−0.5	78.46c
Gas Oil Sept.	$231.5	−1.25	$235
Rubber (kilo)	65p		65.5p
Sugar (raw)	$96.50	+0.5	$99
Wool tops 64s	464p kilo		469p kilo

§ Unquoted. z Sept. y Aug-Sept. u Sept.-Oct. t Per 75 lb flask. * Ghana cocoa. v Nominal. c Cents per pound.

LONDON OIL

An easing of the physical market brought gas oil prices in about a dollar lower and they fell a little farther during the morning as buyers retreated in the face of the strong dollar. A steadier-than-expected New York opening pushed the market briefly to the highs, but prices slipped again as physicals failed to react, reports Premier Man.

PRODUCTS—North West Europe ($ per tonne)

Premium gasoline	509-266	+3.5
Gas Oil	229-234	
Heavy fuel oil	176-178	+1

SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	27.55-27.60	+0.2
Dubai Fateh	27.05-27.15	+0.15
Arab Heavy	20.86-25.70	+0.22
North Sea (Forties)	28.40-28.50	+0.5
North Sea (Brent)	28.90-28.65	+0.1
African (Bonny Lt'ht)	27.32	+0.03

GAS OIL FUTURES

Month	Yest'day's close	+ or −	Business Done
	U.S. $ per tonne		
Aug.	227.50	[illegible]	[illegible]
Sept.	231.50	−1.25	232.75-31.00
Oct.	236.00	−0.75	236.50-34.75
Nov.	239.00	−1.50	239.50-38.25
Dec.	243.00	−1.75	243.50-41.50
Jan.	243.00	−1.75	243.00
Feb.	246.55	−4.75	240.88
March	238.00	+0.50	—
April	250.00	−2.00	—

GOLD MARKETS

Gold rose $1½ an ounce from Tuesday's close in the London bullion market yesterday to finish at $345-345½. It opened at $343¼-343¾ and traded between a high of $345¾-346¼ and a low of $342¼-343. The morning fix was at $343.9 and the afternoon fix at $344.5.

In Paris the 12½-kilo gold bar was fixed at FFr 99,000 per kilo ($344.10 per ounce) in the afternoon, compared with FFr 99,000 ($343.81) in the morning and FFr 99,400 ($344.54) Tuesday afternoon.

In Frankfurt the 12½-kilo bar was fixed at DM 32,435 per kilo ($345.5 per ounce) against DM 32,545 ($347.5) and closed at $344-344½.

In Luxembourg the 12½-kilo bar was fixed at the equivalent of $343.5 per ounce, compared with $346.75.

In Zurich gold closed at $344-344½, compared with $342½-343.

LONDON FUTURES

Month	Yest'days close	+ or −	Business Done
	$ per troy ounce		
Aug.	345.50	—	345.30
Oct.	350.20	—	350.20
Dec	357.50-58.00	+3.56	357.00-56.20
Feb.	364.00	—	365.00-64.00
April	—	—	—
June	—	—	—

	Aug. 8		Aug. 7	
Gold Bullion (fine ounce)				
Close	$345-345½	(£263-263½)	$343¼-343¾	(£262½-263)
Opening	$343¼-343¾	(£262⅓-263¼)	$346-346½	(£263¼-263¾)
Morning fixing	$343.90	(£263.282)	$346.20	(£263.769)
Afternoon fixing	$344.50	(£262.076)	$342	(£261.768)

Gold and Platinum Coins Aug. 8					
Krugrnd	$356¼-357	(£271-271½)	King Sov	$80-83½	(£62½-63½)
½ Krug.	$183¼-184	(£139½-140)	Victoria Sov	$82-83½	(£62½-63½)
¼ Krug.	$93¾-94½	(£71¼-71¾)	French 20s	$68¼-71½	(£50½-51¼)
1/10 Krug.	$38⅓-38¾	(£29¼-29¾)	50 Pesos Mex	$427½-430½	(£325¼-327½)
Mapleleaf	$356-356¾	(£270¾-271¼)	100 Cor. Aust	$335½-338½	(£255¼-257½)
New Sov.	$81½-82¼	(£62-62½)	$20 Eagles	$523-533	(£397¾-405½)
½ New Sov.	$48-49¾	(£37¼-37¾)	Noble (Plat.)	$342¼-346	(£261-263¼)

EUROPEAN MARKETS

ROTTERDAM, August 8

Wheat—(U.S. $ per tonne): U.S. Two Soft Red Winter Sept 153.50, Oct 157, Nov 160; U.S. Two Northern Spring 14 per cent protein Aug 184, Sept 175.50, Oct 175, Nov 178, Nov 15-Dec 15 180; U.S. Northern Spring 15 per cent protein Aug 187, Sept 181.50, Oct 179.50, Nov 183, Nov 15-Dec 15 184.50; U.S. Three Hard Amber Durum Sept 201, Oct 197, Nov 202, mid-Nov-mid-Dec 206, April-May 210; Canadian One Western Amber Durum Oct 212, Nov-Dec 214.

Maize — (U.S. $ per tonne): U.S. Three Yellow Aug 153, Sept 149.50, Oct-Dec 136, Jan-March 140 sellers; Argentine Plate afloat 162, Aug 158, Sept 162 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports Sept 267.25, mid-Sept-mid-Oct 258, Oct 250.50, Nov 250, Dec 252.50, Jan 257, Feb 261.50, March 265, April 268, May 271 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 170, Oct 182, Oct-Dec 183, Nov-March 185 sellers; Pellets Brazil afloat 180, July 179, Aug 179, Sept 182, Oct 188, Oct-Dec 193 sellers; Pellets Argentina afloat 170, July 170, Aug 172, Sept 173, Oct 179, Oct-Dec 185 sellers.

PARIS, August 8

Sugar—(FFr per tonne): Oct 1330-1331, Dec 1360-1370, March 1428-1433, May 1465-1475, Aug 1545-1550, Oct 1600-1630.

Cocoa—(FFr per 100 kg): Sept 2170-2175, Dec 1937-1944, March 1915 bid, May 1920 bid, July 1925 bid, Sept 1930 bid, Dec 1935 bid.

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES were quietly mixed on the London Metal Exchange. Copper edged higher following a firm opening on Comex and closed around £1,031, while trade support and short-covering boosted Zinc from £639.0 to a closing level of £657.5. Lead was unsettled by sizeable "computer selling" and dipped to £344 prior to steadying and closing the late Kerb at £350. Aluminium gained ground on chartist buying which lifted forward metal through a significant chart point at £910 to close at £916.5, after a high of £916.

COPPER

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	1006.5-7	+2.75	1009-.5	+7.25
3 months	1026.5-7	+1.5	1029-.0	+5.5
Settlem't	1007	+2.5	—	.....
Cathodes				
Cash	1008-10	+5	1010-2	+5
3 months	1025-6	+5	1027-8	+4.5
Settlem't	1010	+5	—	.....

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,007, 06.5, three months £1,026, 25.5, 25, 26, 26.5, 27. Kerb: Higher Grade: Three months £1,029, 29.0, 29, 28.5. Afternoon: Higher Grade: Three months £1,028, 27.5, 28, 28.5, 28. Kerb: Higher Grade: Three months £1,030, 31, 31.5, 31, 30. Turnover: 31,600 tonnes. U.S. Producers: 63-67 cents a pound.

TIN

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	9520-5	−2.5	9500-10	−10
3 months	9470-5	−5	9450-60	−7.5
Settlem't	9525	−5	—	.....
Standard				
Cash	9505-10	−15	9490-500	−20
3 months	9435-40	−5	9420-5	−16
Settlem't	9015	−15	—	.....
Straits E.	$89.15	.....	—	.....

Tin—Morning: Standard: Cash £9,520, 15, 10, three months £9,435, 40. Afternoon: Standard: Three months £9,425, 20. High Grade: Three months £9,460. Kerb: Standard: Three months £9,410. Turnover: 2,135 tonnes.

LEAD

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	349.5-50	.....	346-7	−7
3 months	349.5-50.5	−2.15	347-.0	−5
Settlem't	350	.....	—	.....

Lead—Morning: Cash £348.5, 50, 49.5, three months £348, 49, 48.5, 49, 49.5, 50. Kerb: Three months £351, 52, 53, 52. Afternoon: Three months £350, 49.5, 49, 48.5, 48, 47, 48.5, 47. Kerb: Three months £347, 48, 49, 50, 49. Turnover: 18,350 tonnes. U.S. Spot: 28-32 cents a pound.

ZINC

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	649-50	+6.25	653-4	+13.5
3 months	593-4	+6.75	657-.5	+15.7
Settlem't	650	+5.5	—	.....

Zinc—Morning: Cash £650, three months £646, 47, 48, 49, 50, 01, 52, 53, 54, 53.5. Kerb: Three months £654, 55, 56, 57, 58, 57, 55, 54, 53, 54, 54.5, 55. Afternoon: Three months £654, 55, 54, 53, 4, 55, 54, 55, 54, 53, 54, 55, 54, 55, 56, 57, 57.5. Kerb: Three months £654, 55, 56, 57, 58, 57. Turnover: 25,875 tonnes. U.S. Prime Western: 50.50-50.75 cents a pound.

ALUMINIUM

Alumin'm	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Spot	889-90	+15.5	887-8	+7.5
3 months	819.0-5	+15	912-.5	+7.5

Aluminium—Morning: Three months £907, 08, 07, 11, 12, 10, 09, 10, 11, 10.5, 11, 11.5, 12, 12.5, 13, 14, 13. Kerb: Three months £913, 14, 13, 13.5. Afternoon: Three months £912, 13, 14, 15, 14, 13.5, 12, 11, 11.5, 12, 12.5. Kerb: Three months £911, 11.5, 11, 10.5, 10. Turnover: 28,925 tonnes.

NICKEL

NICKEL	a.m. Official	+ or −	p.m. Unofficial	+ or −
Spot	3685-90	−5	3660-70	−27.5
3 months	3770-5	−5	3746-56	−27.5

Nickel — Morning: Three months £3,775. Kerb: Three months £3,780. Afternoon: Three months £3,770, 65, 50, 55, 50, 48, 50. Kerb: Three months £3,755. Turnover: 1,148 tonnes.

SILVER

Silver was fixed 14p an ounce higher for spot delivery in the London bullion market at 576.95p. U.S. cent equivalents of the fixing levels were: spot 753.8c, up 18.3c; three-month 775.5c, up 18.8c; six-month 798c, up 19.9c; and 12-month 848.5c, up 18.5c. The metal opened at 569½-572½p (744-747c) and closed at 574-577p (753-756c).

SILVER per troy	Bullion fixing price	+ or −	L.M.E. p.m. Unofficial	+ or −
Spot	578.95p	+14.8	575.5p	+4
3 months	590.95p	+18.7	592.75p	+4.5
6 months	608.20p	+10.5	—	.....
12 months	641.85p	+13.8	—	.....

LME (2,000 oz contract): Cash 575.5p (571.5p); three months 592.75p (588.25p). Turnover: 0 (0).

Turnover: 54 (229) lots of 10,000 ozs. Morning: large 2nd ring three months 590. Kerb: large three months 592. Afternoon: large 2nd ring three months 593. Kerb: large three months 591.

COCOA

Futures traded in a £40 range and in light volume closed marginally below the previous close, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or −	Business Done
	£ per tonne		
Sept.	1869-70	−4.0	1887-45
Dec.	1673-74	−2.5	1677-50
March	1647-48	−5.0	1650-29
May	1658-60	−7.0	1659-38
July	1665-70	−9.0	—
Sept.	1676-79	−7.5	1680-75
Dec.	1680-89	−9.0	—

Sales: 3,768 (3,652) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound): Daily prices for August 8: 99.65 (98.67); five-day average for August 9: 98.18 (97.17).

COFFEE

In quiet conditions values traded slightly higher as light commission house and dealer buying inspired a steady opening, reports Drexel Burnham Lambert. A lower New York market prompted a minor retracement but good support in nearby contracts during a more active afternoon fuelled a gradual rise.

COFFEE	Yesterd'ys Close	+ or −	Business Done
Sept.	2275-78	+20.0	2282-60
Nov.	2290-91	+13.0	2294-78
January	2298-30	+2.5	2035-87
March	2036-37	−17.0	2055-35
May	2018-00	−15.0	2035-90
July	2008-10	−7.0	2020-11
Sept.	1980-00	−10.0	—

Sales: 2,925 (2,513) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for August 7: Comp daily 1979 138.67 (138.85); 15-day average 139.28 (139.48).

GRAINS

Wheat and barley closed off the highs after registering initial gains but nearbys found support in generally quiet, flat trading, reports Muirpace.

WHEAT			BARLEY	
Mnth	Yesterd'ys close	+ or −	Yesterd's close	+ or −
Sept.	107.25	+0.15	106.20	−0.15
Nov.	110.35	+0.10	109.40	−0.15
Jan.	113.65	−0.15	110.55	−0.25
Mar.	115.65	−0.15	119.40	−0.20
May	119.00	−0.25	115.00	−0.20
July	122.80	−0.15	—	—

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 101.30, E. Mids 101.20, N. East 103.00, Scotland 102.50. The UK monetary coefficient for the week beginning Monday August 13 (based on HGCA calculations using 5 days' exchange rates) is expected to remain at 0.980.

Business done—Wheat: Sept 107.30-7.00, Nov 110.45-10.20, Jan 113.90-3.70, March 118.90-5.65, May 119.65 only, July 122.80-2.70. Sales: 278 lots of 100 tonnes. Barley: Sept 106.35-6.20, Nov 109.40-9.35, Jan 112.60 only, March 115.60-5.40, May untraded. Sales: 65 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 15 per cent Sept 145.25, Oct 144.75, Nov 147.50 transhipment East Coast. English feed fob Sept 109.50 sellers East Coast. Maize: U.S. No. 3 Yellow/French Aug 149.50 seller transhipment East Coast. Barley: English feed fob Aug 107, Sept 109, Oct-Dec 113.50 sellers East Coast. Rest unquoted.

PIGMEAT

Prices drifted slightly lower in very narrow ranges and low volume. A higher AAPP had little effect in dull trading conditions and values were barely steady on the close, reports CCST Commodities.

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
Oct.	120.80	121.00	120.80-120.7
Nov.	122.30	122.50	122.50-122.2
Feb.	118.80	119.00	118.80
April	118.40	119.00	118.80-118.4
June	117.10	117.20	117.10
Aug.	115.50	116.40	—

Sales: 68 (75) lots of 50 carcases 3,250 kilos.

POTATOES

The market against fell on the opening and dropped £3 during the morning. A weaker domestic physical market, plus lower Dutch quotations were partly the cause and continued rainfall renewed confidence in crop prospects and encouraged some fresh selling, reports Coley and Harper.

Month	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Nov.	74.80	75.40	75.00-74.10
Feb.	83.00	84.00	84.50-83.00
April	98.70	98.90	97.50-96.00
May	102.50	106.10	106.5-102.5
Nov.	78.00	78.50	—

Sales: 1,049 (992) lots of 40 tonnes.

RUBBER

FUTURES—Close (buyer, seller, business). RSS No. 1. £ per tonne. Sept 651, 675; Oct 663, 687; Nov 688, 698, Dec 699, 707, Jan 714, 720; Feb 723, 725; March 728, 742; April 736, 751; May 745, 762; 1984 Oct-Dec 690, 697 (all untraded), 1985 Jan-March 720, 725, 728-725; 1985 April-June 750, 763. Sales: (0 (0) lots of 5 tonnes, 5 (same) lots of 15 tonnes.

PHYSICALS — The London market opened about unchanged, attracted little interest throughout the day and closed idle, reports Lewis and Peat. Closing prices (buyers), spot 65.00p (same); Sept 73.50p (73.00p); Oct 75.00p (74.50p). The Kuala Lumpur August fob prices for Rss No. 1 was 208.0 (206.0) cents a kg and for SMR 203.5 (202.0).

SOYABEAN MEAL

The market opened unchanged to 20p down, reports T. G. Roddick. Selling pressure caused a further slide in prices.

	Yestday's close	+ or −	Business Done
	£ per tonne		
August	126.00-34.00	—	—
October	134.00-34.60	−1.80	135.00-34.00
Dec.	140.50-41.10	−0.80	141.80-40.60
Feb.	147.50-48.00	−0.40	148.00
Apr.	147.70-40.30	−0.75	—
June	146.50-47.00	−0.25	—
August	146.50-58.00	−0.25	—

Sales: 20 (28) lots of 100 tonnes, 25 (48) lots of 20 tonnes.

SUGAR

LONDON DAILY PRICE — Raw sugar £88.50 ($113.00), up 50p (unchanged) a tonne for August-September delivery. White sugar $151.50, up 50c.

Reports that India had only purchased one cargo at yesterday's tender disappointed the market and October fell to a new life-of-contract low of $120 before jobber short-covering lifted prices slightly on the close, reports G. Czarnikow.

No. 6 Contract	Yesterday's close	Previous close	Business done
	$ per tonne		
Oct.	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]
Mar.	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug.	[illegible]	[illegible]	[illegible]
Oct.	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]

Sales: No. 6 2,829 (2,985) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £198.50 (same) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for August 7: Daily price 4.17 (4.11); 15-day average 4.32 (4.33).

COTTON

LIVERPOOL—No spot or shipment sales were recorded. Business was difficult to arrange due to currency and price considerations. Few inquiries were in evidence and no business of any consequence was reported.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Oct 583.0, 584.0, 583.0; Dec 585.5, 588.0, 588.0; March 577.0, 578.0, untraded; May 585.0, 588.0, 588.0; July 591.0, 600.0, u/t; Oct 585.0, 600.0, u/t; Dec 588.0, 600.0, u/t; March 585.0, 600.0, u/t. Sales: 8.

MEAT/FISH

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 84.57p per kg lw (+3.33). GB—Sheep 151.23p per kg est dcw (+13.85). GB—Pigs 82.55p per kg lw (+1.38). GB—AAPP 106.31p per kg dw (+0.35).

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 75.0-81.0; English forequarters 49.0-54.6; Ulster hindquarters 83.5-88.0. Veal—Dutch hinds and ends—122.5-127.5. Lamb—English small 70.0-78.0, medium 87.0-70.0, heavy 65.0-66.0; Imported: New Zealand PL 67.0-67.5, PX 60.0-60.5, YL 64.3-65.0. Pork — English under 100 lb 48.0-58.0, 100-120 lb 50.0-57.0, 120-160 lb 45.0-54.0.

INDICES

FINANCIAL TIMES

Aug. 7	Aug. 6	M'th ago	Year ago
291.60	292.54	298.79	286.23

(Base: July 1 1952 = 100)

REUTERS

Aug. 8	Aug. 7	M'th ago	Year ago
1874.0	1879.0	1904.3	1927.8

(Base: September 18 1931 = 100)

MOODY'S

Aug. 7	Aug 6	M'th ago	Year ago
1013.4	1019.1	1034.1	1088.4

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Aug. 7	Aug. 6	Month ago	Year ago
Spot	130.78	131.26	138.15	148.5
Fut	127.58	128.40	129.77	144.08

(Base: December 31 1974 = 100)

Imported produce: Oranges—Spania: Valencia Lates 9.00-9.50; Uruguayan: Navel lates 10.50-11.00; Brazilian: Peras/lates 10.60-11.00; Outspan: 9.50-10.50. Tangerines—Brazilian: Marcots 8.00-8.50. Lemons—Spania: 5-kg 1.60-1.80; 15-kg 4.50-5.00; Outspan: 15-kg 5.00-6.50; Uruguayan: 20-kg 6.00-6.40. Grapefruit—Outspan: Marsh Seedless 27 5.20, 32 6.00, 36 6.15, 40 6.30, 48 6.70, 56 7.05, 64 6.90, 72 6.50, Odds 60 less, Rose 32 8.00, 36 5.10, 40 8.10, 48 7.80, 56 7.50, 64 7.00; Uruguayan: 18-kg 7.20-7.80; Jaffa: Red Blush 7.50-8.00. Kumquats—Brazilian: Box 5.00-6.00. Apples—Cape: Golden 12.50-13.00, Granny Smith 13.00-14.00; French: Golden Delicious carton 7.20-8.60; Italian: per pound, Jersey Mac 0.17-0.18; Chilean: Granny Smith 8.20-9.50, Richared 8.00-8.50, Red Delicious 9.00; British Columbian: Red Delicious 13.50-15.00; Australian: Democrats 12.00-12.50. Pears—Spanish: Limonera 10-kg 4.00-4.50, William's 5.00-6.00; French: Guyot 13-kg 4.00-4.20; Italian: Guyot 10-kg 4.00-5.00. Peaches—Italian: tray 1.60-2.40, large trays 2.80-3.50; French: 1.80-3.00. Nectarines—[illegible]

[illegible]

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated—[illegible]

AMERICAN MARKETS

NEW YORK, August 8

Precious metals were without a clear direction with gold being mostly unchanged and silver slightly lower, reports Heinold Commodities. Copper prices rallied strongly on support from arbitrageurs as well as on light user interest. Aluminium quietly advanced moderately on short-covering and on selective commission house buying. Heating oil prices traded lower on a mixed industry stock report with traders waiting for the next test of the downward trend. Sugar prices extended their decline to new contract lows on reports of further improvement in the condition of the European beet crop. Cocoa prices were firm on continued reports of tight spot supplies forcing some dealer short-covering. Coffee prices were sharply higher on a decline in certified stocks available for delivery in U.S. markets. Cotton prices were mixed with some precipitation in west Texas providing the basis for trade hedging. Grains and soyabeans opened slightly lower, but after a failure to rally markets sold off with soyabeans down sharply but maize only fractionally lower. Wheat was fractionally higher on expectations of a seasonal turn in the markets; the bearishness in the markets was also partially due to the evening-up of positions ahead of a private crop production reports.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
August	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

COCOA 10 tonnes, $/tonnes — [illegible]

COFFEE "C" 37,500 lb, cents/lb — [illegible]

COPPER 25,000 lb, cents/lb — [illegible]

COTTON 50,000 lb, cents/lb — [illegible]

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels — [illegible]

GOLD 100 troy oz, $/troy oz — [illegible]

ORANGE JUICE 15,000 lb, cents/lb — [illegible]

PLATINUM 50 troy oz, $/troy oz — [illegible]

SILVER 5,000 troy oz, cents/troy oz — [illegible]

SUGAR WORLD "11" 112,000 lb, cents/lb — [illegible]

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb — [illegible]

LIVE HOGS 30,000 lb, cents/lb — [illegible]

MAIZE 5,000 bu min, cents/56-lb bushel — [illegible]

PORK BELLIES 38,000 lb, cents/lb — [illegible]

SOYABEANS 5,000 bu min, cents/60-lb bushel — [illegible]

SOYABEAN MEAL 100 tons, $/ton — [illegible]

SOYABEAN OIL 60,000 lb, cents/lb — [illegible]

WHEAT 5,000 bu min, cents/60-lb bushel — [illegible]

SPOT PRICES — Chicago loose lard 27.50 (27.00) cents per pound. New York tin 570.0-77.0 (573.0-77.0) cents per pound. Handy and Harman silver bullion 755.0 (748.0) cents per troy ounce.

● UPDATED legislation on the use of poisonous substances in agriculture include certain new substances, improved items of protective clothing, and a reduction in the permitted hours of work allowed with specified substances.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar volatile at close

Conflicting influences from remarks made by U.S. officials left the dollar trading in rather a confused manner on the foreign exchanges yesterday. It weakened in late European trading to finish around the lowest levels of the day, but then improved after hours in New York. The dollar had been quite firm earlier in the day and there was talk of the currency possibly testing the DM 2.93 level again, but this was not to be the case. It closed weaker on the day against all major currencies as traders were tempted to take profits after Mr Donald Regan, U.S. Treasury Secretary, forecast lower interest rates, but also said there would be no increase in taxation.

On the other hand, Mr Paul Volcker, chairman of the Federal Reserve Board, in testimony before the House Foreign Affairs Committee, spoke of his concern at the fast pace of U.S. credit growth. This gave the dollar its boost in New York, on speculation that the authorities may check credit expansion with higher interest rates.

At the London close the dollar had fallen to DM 2.8985 from DM 2.9140 against the D-mark; FFr 8.9150 from FFr 8.9425 against the French franc; SwFr 2.4420 from SwFr 2.4575 in terms of the Swiss franc; and Y243 from Y244.45 against the Japanese yen.

On Bank of England figures the dollar's trade-weighted index fell to 137.5 from 137.8.

STERLING — Trading range against the dollar in 1984 is 1.4905 to 1.3020. July average 1.3210. Trade-weighted index 78.7, at the previous close, and 81.5 six months ago.

Sterling was very firm despite the cut in London clearing bank base rates. It gained 95 points against the dollar to close at the day's high of $1.3150-1.3160. The pound also improved against other major currencies, rising to DM 3.8250 from DM 3.80; FFr 11.7775 from FFr 11.69; SwFr 3.22 from SwFr 3.21; and Y320 from Y319.25.

D-MARK — Trading range against the dollar in 1984 is 2.9145 to 2.5535. July average 2.8473. Trade-weighted index 123.1 against 124.9 six months ago.

The D-mark lost ground to the strong dollar at the Frankfurt fixing, but improved from its opening level. The Bundesbank sold $5.5m at the fixing as the dollar touched its highest level since February 22, 1973. It was fixed at DM 2.9179 yesterday compared with DM 2.9157 on Tuesday, but was lower than the opening level of DM 2.9245 amid suggestions that the dollar may be heading down towards a level nearer DM 2.90. Sterling fell to DM 3.8090 from DM 3.8120 at the fixing. Within the EMS the French franc fell to DM 32.58 per 100 francs from DM 32.585, but the Dutch guilder rose to DM 88.715 per 100 guilders from DM 88.6151 the Belgian franc to DM 4.9510 per 100 francs from DM 4.9490; and the Irish punt to DM 3.0790 from DM 3.0770.

BELGIAN FRANC — Trading range against the dollar in 1984 is 58.885 to 52.24. July average 57.70. Trade-weighted index 89.6 against 89.2 six months ago.

The Belgian National Bank did not intervene on the foreign exchanges during the week ended August 6. The Belgian franc has been steady within the European Monetary System, and short-term interest rates in Brussels have been stable. Belgium's fgoreign exchange reserves rose by BFr 185m to BFr 77.49 bn during the wek, as the result of income from investments. Four-month certificates auctioned by the Fonds des Rentes, an official monetary institution, were sold at an unchanged rate of 11.9 per cent. At yesterday's Brussels fixing the dollar fell to BFr 58.83 from BFr 58.91, and sterling to BFr 76.7150 from BFr 76.88, but the D-mark improved to BFr 20.1616 from BFr 20.1485.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu August 2	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	45.2833	+0.85	+0.81	±1.5447
Danish Krone	8.14104	8.18056	+0.49	+0.45	±1.6425
German D-Mark	2.24184	2.24235	+0.02	−0.02	±1.0642
French Franc	6.87456	6.88082	+0.09	+0.05	±1.4052
Dutch Guilder	2.52595	2.52682	+0.03	−0.01	±1.4964
Irish Punt	0.72569	0.727733	+0.28	+0.24	±1.6699
Italian Lira	1403.49	1376.82	−1.90	−1.90	±4.1506

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York (latest)

	Aug. 8	Prev. close
Spot	$1.3130-3140	$1.3066-3070
1 month	0.02-0.06 pm	0.04-0.03 pm
3 months	0.22pm-0.27 dis	0.01-0.04 dis

OTHER CURRENCIES

Aug. 8	£	$		£ Note Rates
Argentina Peso	83.93-84.08	64.07-64.10	Austria	22.70-07.00
Australia Dollar	1.5585-1.5585	1.1870-1.1880	Belgium	77.40-78.20
Brazil Cruzeiro	2,010.1-2,534.2	1,923-1,933	Denmark	13.86-14.00
Finland Markka	7.0865-8.0185	6.1025-6.1075	France	11.65-11.77
Greek Drachma	150.36-150.75	115.40-116.70	Germany	3.79½-3.83½
Hong Kong Dollar	10.24¼-10.26½	7.8400-7.8400	Italy	2325-2360

CURRENCY MOVEMENTS

CURRENCY RATES

THE POUND SPOT AND FORWARD

THE DOLLAR SPOT AND FORWARD

EXCHANGE CROSS RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Asian $ (closing rates in Singapore): Short-term 11¾-11⅞ per cent; seven days 11⅝-11¾ per cent; one month 11¹¹⁄₁₆-11¹³⁄₁₆ per cent; three months 11⅞-12 per cent; six months 12⅛-12¼ per cent; one year 12½-12⅝ per cent. Long-term Eurodollars: two years 13¼-13⅜ per cent; three years 13⅜-13½ per cent; four years 13½-13⅝ per cent; five years 13⅜-13¾ per cent nominal closing rate. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

Cut in bank base rates

Clearing bank base rates were cut by ½ per cent to 11½ per cent yesterday following better than expected UK money supply figures published Tuesday. Base rates were increased by 2 per cent to 12 per cent about a month ago following disappointment at the previous set of money supply figures and the weakness of sterling at the time. Yesterday's move appeared to have no detrimental impact on the pound, which improved against the dollar and Continental currencies and led to suggestions in the London money market that another cut in base rates might not be too far away.

Three-month interbank fell to 11½ per cent from 11⅞ per cent,

UK clearing banks' base lending rate 11½ per cent (since August 8-9)

and discount houses buying rates for three-month eligible bank bills to 11¼ per cent from 11⅞ per cent.

The Bank of England forecast money market shortage of £650m, which was revised to £600m around noon, and then back to £650m in the afternoon. A strong indication of the official wish to see lower interest rates was given when the authorities offered an early round of assistance and then bought bills outright at ½ per cent lower than previously. In the early morning the Bank of England bought £169m bills outright by way of £4m bank bills in band 1 (up to 14 days maturity) at 11½ per cent; £139m bank bills in band 2 (15-33 days) at 11⅜-11½ per cent; £12m bank bills in band 3 (34-63 days) at 11¼ per cent; and £14m bank bills in band 4 (64-91 days) at 11⅛ per cent.

Before lunch the authorities purchased another £81m bills outright through £2m bank bills in band 1 at 11½ per cent; £67m bank bills in band 2 at 11⅜ per cent; and £12m bank bills in band 3 at 11¼ per cent.

In the afternoon £270m bills were bought outright. An amount of £43m bank bills were purchased in band 1 at 11½ per cent; £171m bank bills in band 2 at 11⅜ per cent; and £50m bank bills in band 3 at 11¼ per cent; and £6m bank bills in band 4 at 11⅛ per cent.

The Bank of England also provided late assistance of £135m.

MONEY RATES

Aug. 7	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	6.00-5.60	11	2-3	6¾-5⅞	6.09375	16¼-16⅝	7.4	15-12¼
One month	5.80-5.96	11⅜-11⅛	4⅛-4¼	9¼-6⅜	6.81876	16¼-16⅝	11⅛-11⅛	12⅝-12⅞
Two months	5.85-6.00	11½-11⅝	—	—	—	—	—	13⅛-16⅜
Three months	6.00-6.10	11⅛-11⅛	4⅛-4⅛	6⅜-6⅛	6.28125	10½-10⅞	11⅛-11⅛	16½-13¾
Six months	6.30-6.45	11⅛-11⅛	—	6¾-6⅞	—	—	11⅛-11⅝	13¾-14
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	11¼	—	6¾	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

FT LONDON INTERBANK FIXING

MONEY RATES

NEW YORK (Lunchtime)

FINANCIAL FUTURES

Gilts weak

Gilts for future delivery finished weak on the London International Financial Futures Exchange yesterday. The September contract opened firm at 105.07 followed overnight gains in U.S. Treasury bonds, but then declined on fears that Tuesday's sharp rise of over £2 had been overdone. Early gains in U.S. bonds failed to revive interest, and the market was also unimpressed by news that the tap stock offered by the Government broker was oversubscribed.

Traders suggested the reduction in Bank of England money market dealing rates, followed by the cut in clearing bank base rates, had been largely discounted in Tuesday's rise and failed to lend any lasting support to the contract, which closed at 104-22, compared with 104-27 previously.

Three-month sterling deposits for September were firm on the cut in base rates. After opening at 88.89, almost the low of the day, the contract finished at the day's peak of 89.14, against 88.81 on Tuesday. Sentiment was helped by the general easing of money market interest rates, and by the pound's improvement on the foreign exchanges.

Eurodollars also finished firm following gains in the corresponding Chicago contract. Trading was helped by an easing of the Federal funds rate in New York, and by a good reception for the U.S. Treasury's three-year note auction Tuesday.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
Sept	88.41	88.47	89.35	88.24
Dec	88.04	88.16	88.00	87.83
March	87.75	87.85	87.70	87.51
June	87.53	87.62	87.53	87.26
Sept	87.34	87.38	87.34	87.07

Estimated volume 4,885 (5,680)
Previous day's open int 13,223 (12,771)

THREE-MONTH STERLING DEPOSIT

CHICAGO

U.S. TREASURY BONDS
8% $100,000 32nds of 100%

	Close	High	Low	Prev
Sept	65-21	65-27	65-16	65-13
Dec	65-01	65-01	65-01	64-27
March	64-19	—	—	64-13

Estimated volume 795 (1,084)
Previous day's open int 1,388 (1,428)

INTERNATIONAL CAPITAL MARKETS

Texaco heads issue bonanza

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

TEXACO launched a $300m, 12¼ per cent Eurobond yesterday as the dollar sector of the international bond markets was flooded with more than $799m worth of new paper.

The new issue bonanza came on the back of renewed confidence in the New York bood market. Secondary market prices of fixed rate Eurobonds rose by around ½ point on buying demand from both professional dealers and retail investors.

But despite the cheerful mood the Texaco issue got off to a relatively slow start. The company bas been a heavy issue of issuer bonds recently and at $300m this is believed to be the largest fixed rate issue seeo in the dollar sector of the Eurobond market this year.

Led by Morgan Stanley the issue has a three year life and is priced at 100¾. Simultaneously Texaco issued 300,000 warrants to purchase an eight-year bood with the same coupoo at any time over the next three years. The warrants, which were priced at $17, were better received than the boods themselves, trading up to $18.50 yesterday afternoon. But the bond traded at a discount around its total fees of 1⅞ per cent.

With the dollar trading close to its recent highs warrants offer investors the chance to lock into today's high yields without taking much exchange risk. This idea was also behind the launch by Goldman Sachs yesterday of a series of 500,000 warrants to buy the forthcoming U.S. Treasury 30-year bond. The series comprises a tranche of 200,000 warrants priced at $36.50 to buy the paper at the average auction price and one of 300,000 priced at $22 with an exercise price $40 higber.

D-MARK NEW ISSUES CALENDAR

Date	Borrower	Amount DM (m)	Lead Manager
Aug 15	World Bank	300m	Deutsche Bank
20	Rautaruukl (Finland)	100m	Commerzbank
21	Escom	100m	Commerzbank
Sept 3	BFCE	200m	Dresdner Bank
5	Asian Development Bank	200m	Deutsche Bank

Next committee meeting September 11

Yesterday also saw the launch of a new DM 900m calendar of issues in the German market. The amount is slightly larger than the DM 700m absorbed during the month just expired but bankers said it should be fairly easy to place. Some were disappointed that the list carries only rather dull names. Other potential issuers are believed to be holding back from the German market because of uncertainty over withholding tax.

Outside the calendar Dresdner Bank launched a DM 250m Eurobond with warrants to buy its shares. The bond was launched simultaneously with a $250m floating rate note, also bearing warrants.

The eight-year D-Mark issue bears a coupoo of 8 per ceot over eight years and issue price of 115. The dollar issue, also for eight years, bears interest at a margin of ⅛ per ceot over the mean of the bid and offered rates for six-mooth Eurodollar deposits in Loodoo (Limean). The warrants on both bonds carry an exercise price of DM 150 compared with yesterday's close of DM 152.

Other new Euro-issues included a $75m floating rate note for Christiana Bank led by Credit Suisse First Bostoo and Christiana Bank itself. The 10-year bonds which bear interest at a margin of ⅛ per cent above Limean were readily absorbed. This suggests that there is demand for this type of conventiooal floater instead of those with a weekly interest fixing feature that have predominated receotly.

Bank Leu is raising $40m through a bood with equity warrants led by UBS (Securities). Terms are to be fixed on Friday but the issue carries an indicated coupoo of 7¾ to 8 per cent. Nippon Kogaku, the Japanese camera maker, is raising $50m through a coovertible issue with an indicated coupon of 4 per cent led by Nikko Securities and Mitsubishi Fioance.

Foreign issues on the Swiss market shed about ¼ point yesterday. The SwFr 100m, eigbt-year issue for Shikoku Electric Power has been awarded a 5¼ per ceot coupon as iodicated by lead manager UBS.

BHF Bank bond average

August 8		Previous
98.953		98.946
High	1984	Low
100.009		98.056

C$1.05bn Canadian issue well received

MONTREAL — Yesterday's oew C$1.05bn (U.S.$804m) Government of Canada bond issue sold quickly at the market opening as other bood prices firmed according to dealers.

The Finance Department said the issue of ooo-callable bonds, to be dated and delivered August 22, will consist of four maturities:

- 12¼ per cent bonds due May 1 1987, at a price of 100.10 plus accrued interest from May 8 to August 22, to yield about 12.19 per ceot to maturity.
- 12½ per cent boods due March 15 1989, at a price of 100.50 plus accrued interest from April 1 to August 22, to yield about 12.35 per cent to maturity.
- 13 per cent boods due April 1 1994, at a price of 100.375 plus accrued interest from April 1 to August 22, to yield about 12.92 per cent to maturity.
- 13 per cent bonds due October 1 2007, at a price of 98.825, to yield about 13.19 per cent to maturity. The issue will be in a maximum amount of C$375m.

The Bank of Canada has agreed to acquire a minimum of C$100m of the new bonds. This acquisition will be opeo as to maturity, except that the total will include a minimum of C$30m of the 2007 maturity.

Reuter

FT INTERNATIONAL BOND SERVICE

The list sbows the 200 latest international bood issues for which an adequate secondary market exists. The following are closing prices for August 8.

U.S. DOLLAR STRAIGHTS — OTHER STRAIGHTS — FLOATING RATE NOTES — DEUTSCHE MARK STRAIGHTS — SWISS FRANC STRAIGHTS — CONVERTIBLE BONDS — YEN STRAIGHTS

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Dee Pharm'cal Co 3¼ 88	3/84	9480	136¾	138½	+0⅛	27.85
Orient Leasing 5¼ 98	8/83	2580	118½	119½	−0⅛	−8.95
Secom 5 98	11/83	2920	159¾	161¼	+1½	−1.57
Sekisui House 3 99	6/84	812	91½	92½	+0⅛	2.08
Sumitomo Corp 2⅞ 98	5/84	593	81¾	82¾	+0⅛	2.38
Yamanouchi Pharm'cal 4 00	10/83	1800	98⅛	81¾	+1⅜	35.43
Nippon Oil Co 2⅝ 92 SF	5/84	1052	†97	98¼	−1	8.55
Nippon Shinpan Co 2 82 SF	3/84	881	†90⅛	00½	0	27.95
Sanyo Paper 2¼ 92 SF	4/84	677	†143½	143¾	−1	1.88
Asics 5 02 DM	12/83	520	97⅛	98⅜	−0½	19.52
Sun Realty 6¼ 92 DM	2/83	385	142½	143½	−0½	−8.81

* No information available-previous day's price

† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price, the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week — Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date — Date next coupon becomes effective. Spread — Margin above six-month offered rate (‡ three month, § above mean rate) for U.S. dollars. C.cpn. — current coupon. Cu. yld — current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day — Change on day. Cnv. date — First date for conversion into shares. Cnv. price — Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem — Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

WORLD STOCK MARKETS

OVER-THE-COUNTER

Continued from Page 26

Stock | Sales (Hnds) | High | Low | Last | Chng

M — N — O-O — P-Q — R-R — S-S — T-T — U-U — V-V — W-W — X-Y-Z

NEW YORK — DOW JONES

STANDARD AND POORS — N.Y.S.E. ALL COMMON — RISES AND FALLS — TORONTO — MONTREAL

New York Active Stocks

Mobile — AMR Corp — Digital Eq — ATT — Exxon — Ibm XD — United Air — Ford Motor — GTE — St Oil Ind

advances 658, declines 880

Indices

	Aug. 8	Aug. 7	Aug. 6	Aug. 3	1984 High	1984 Low
SINGAPORE Straits Times (1966)	972.08	965.51	984.97	965.56	1071.81 (2)	867.28 (12.7)
SOUTH AFRICA Gold (1958)	(u)	928.0	953.6	921.7	1076.8 (5/8)	758.1 (24/1)
Industrial (1958)	(u)	(u)	868.6	875.1	1105.5 (28/3)	875.1 (0/8)
SPAIN Madrid SE (30/12/83)	140.23	140.08	141.05	138.94	141.05 (8/6)	101.02 (6/1)
SWEDEN Jacobson & P. (1/1/58)	1529.85	1533.85	1568.73	1617.88	1594.0 (5/2)	1,568.90 (23/5)
SWITZERLAND SwissBank Cpn. (31/12/58)	371.8	370.0	373.6	369.5	388.5 (3/1)	354.8 (25/7)
WORLD Capital Intl. (1/1/70)	—	170.4	180.5	119.5	190.6 (9/5)	164.8 (24/7)

** Saturday August 4: Japan Nikkei-Dow 10,385.12. TSE 802.81.

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.